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LOYOLA UNIVERSITY CHICAGO

BUSINESS ETHICS AND GLOBAL AGE COSMOPOLITANISM

A DISSERTATION SUBMITTED TO
THE FACULTY OF THE GRADUATE SCHOOL
IN CANDIDACY FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

PROGRAM IN CULTURAL AND EDUCATIONAL POLICY STUDIES

BY

ISAIAS RIVERA

CHICAGO, ILLINOIS

AUGUST 2010

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ACKNOWLEDGEMENTS

I would like to thank all of the people who made this dissertation possible, starting with all my professors in the School of Education and Philosophy Department at Loyola University Chicago: Dr. Thomas Wren who constantly pressed for adequate academic results and for always being there in times of despair. Dr. Robert Roemer, you said to me in regards to the proposal, “this is an idea that definitely endorses Jesuit principles,” I am deeply convinced that it does, thank you. I would like to thank my committee chair, Dr. Noah Sobe for his intellectual observations, for his strict and demanding vision, which pushed me towards self and academic discipline. Thank you for sticking with me throughout this very long and arduous process.

I would also like to thank Tecnologico de Monterrey for providing me with the opportunity to be a part of Loyola University Chicago. Thank you Campus Juarez and Campus Chihuahua for all the economic support provided throughout these years. My dear friend and mentor Alberto Araujo, thank you for your patience and for always believing in me, and my work. Professor David Noel, thank you for your support. Tonatiuh Najera, thank you for bringing me on board.

My friends in the Philosophy Department, Thomas Wren, David Schweickart, David Ingram, Andrew Cutrofello, Daniel Hartnet, and Mark Waymack, thank you for introducing me to Social Philosophy. I also want to thank Ted Zervas for being a

good friend and providing strong moral support in this process. Beth Pauls, my copy-editor, thank you very much for all your work. Sara Benitez, Renee Estrada, Pamela Perez, Maria Sol Ramirez, Eugenia Sepulveda, thank you for your enthusiasm and willingness to help.

Finally, I would like to thank my family -- the ones who are still with me and the ones who have left, but without a doubt were part of this process. My uncles Hector and Estela, you initiated me in my academic career, I am where I am thanks to you. To my Grandparents, Pedro and Luisa, my gratefulness always.

For my daughter, Maria Cristina with all my love

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ABSTRACT

This dissertation is a study of business ethics and business education. It is particularly focused on the Business Administration degree and the business ethics literature, while also considering university students, professors, and business practitioners. The key problem I address is how to create and teach an ethics of Global Age Cosmopolitanism (GAC). I approach this problem through a philosophical analysis focusing on political, economic, and educational principles. It is my hope that such an ethics will cause university professors and students to become engaged citizens who seek to solve the many problems that affect society and to sustain structural justice in global institutions, both economic and political.

The GAC ethic presupposes *civic universalism*, a theory of living well in accordance to the values and customs common to the global society. This includes pluralistic political, economic, and educational ideas that deal specifically with social and economic inequalities. While these issues have been neglected in business ethics to date, my goal is to make the elimination of such inequalities an inherent part of all global business practices. In other words, GAC is not only a mentality that maximizes economic benefits for periphery countries. It is also an approach that serves immigrants and emigrants who are constantly on the move in the search of economic autonomy. Finally, GAC provides theoretical and practical tools for

business educators and practitioners who seek to effect social justice on a global scale.

CHAPTER ONE

BUSINESS ETHICS AND GLOBAL AGE COSMOPOLITANISM

Introduction

Has the business world abandoned ethics? In November, 2006, an Associated Press article entitled “Documentary Films Rattle the Business World”¹ discussed the growing popularity of movies that examine the practices of large companies. Among others, the article cites Michael Moore’s exposé of General Motors, “Roger and Me” (1989); Morgan Spurlock’s diary of a month consuming only McDonald’s menu items (“Super Size Me,” 2004); and Nick and Mark Francis’s examination of inequities in the coffee business (“Black Gold,” 2006). The article suggested that such films could help “change business practice,” but neglected to mention the specific changes that might be thus effected.

Although documentaries often expose facts that most corporations would prefer to keep private, they rarely denounce the underlying ideologies of the business world. The Starbucks storyline within “Black Gold” illustrates this disconnection. Most of the coffee purchased by Starbucks comes from Ethiopia, and the film recounts the impoverished conditions under which Ethiopian coffee

¹Jacob Adelman, “Documentary Films Rattle Business World,” published on Monday, November 27, 2006 by the Associated Press. Accessed on January 9, 2007 from: <http://www.commondreams.org/headlines06/1127-06.htm>.

producers live and work (according to the CIA *World Fact Book*, 50 percent of the population lives under the poverty line, while 78 percent of the GDP goes to covering the public debt).² To help alleviate poverty, Ethiopia attempted to gain U.S. trademarks for several strains of coffee plant. Starbucks blocked those attempts because of the increased costs that would accrue to the company. Had the trademarks been issued, Ethiopian coffee producers would have gained an estimated \$88 million in annual earnings, a significant amount for the impoverished nation.³ Such a sum would not have threatened Starbucks' success, although it would have diminished its returns somewhat—the company reported net earnings of \$564 million dollars for FY 2006, up from the \$494 million earned during FY 2005.⁴ Yet even as it contributes to horrendous poverty in coffee growing nations, Starbucks Corporation has figured on the list of the *100 Best Corporate Citizens* (CRO) for several years on the annual *Business Ethics* Corporate Social Responsibility Report. It has also figured in the list of *Fortune's* "100 Best Companies to Work For" for several years.

²Central Intelligence Agency, "The World Fact Book," CIA World Fact Book. Accessed from: <https://www.cia.gov/library/publications/the-world-factbook/>.

³Corey McPherson Nash, "Starbucks: Honor your Commitments to Ethiopian Coffee Farmers." Oxfam calls on Starbucks to help Ethiopia get a Large Share of its Coffee Profits, October 2006, Oxfam America. Oxfam is a member of Oxfam International. Accessed on January 10, 2007 from: <http://www.oxfamamerica.org/whatwedo/campaigns/coffee/starbucks>.

⁴Starbucks Reports Record Full Year 2006 Results. Accessed from: <http://investor.starbucks.com/phoenix.zhtml?c=99518&p=irol-newsArticle&ID=932296&highlight>.

Like documentaries, television news stories can also open the eyes of the public to shoddy business practices. In 2006, television coverage of riots in suburban Paris revealed the poor living conditions, chronic un- and under-employment, and police harassment experienced by millions of immigrant laborers in France. Such coverage made it clear that the plight of these people—mostly Muslim people of color from North Africa—was caused at least in part by the nativism of French businesses and the (white, Christian) people who run them. Television coverage on immigration issues in other industrialized and industrializing countries has exposed analogous prejudices, such as attacks on Mexican immigrants in the United States and clashes between Han Chinese and ethnic minorities in the Peoples' Republic of China.

These issues should lead the business ethicist to ask a number of questions. As immigration opens opportunities in core countries to people from periphery countries, can we steer a course towards cosmopolitanism? As transnational business practices expand, what standards must corporations such as Starbucks meet in order to be classified as model corporate citizens? In sum, what must be accomplished to move from a modernist business ethics to one that supports a global perspective? To answer these questions, one must identify the specific social, political, and economic demands of the twentieth century world system.

From the Modern to the Global

Modernity encompasses a wide range of definitions and connotations.

Sociologists and historians point to Western Europe circa 1500 CE when discussing the origins of a modern world system. Its characteristics include the rise of capitalism, an increased reliance upon technology, and an ideology of meritocracy, personal autonomy, and individual drive. Globalization—that is, core-periphery relations in which the core extracts and refines raw materials from the periphery—is also an intrinsic part of modernity. These factors allowed core societies to grow and prosper well into the twentieth century.

What does modernity have to do with Ethiopian coffee producers? The Coffee Export Association Members of Ethiopia note that, “coffee has been Ethiopia’s most important cash crop and largest export commodity.”⁵ Certainly it has a long history in that country:

There is an old Ethiopian legend that says that a young goatherd noticed his herd becoming unusually frisky after eating some bright red berries. After trying some himself, he found that they had the same stimulating effect on him. A monk from a neighboring monastery also tried these berries after he found the young goat herd in this state, and to his amazement, he also found that the berries helped keep him and others alert during their night prayers and thus spread the use of coffee.⁶

⁵Ibid.

⁶This “legend or story” about the discovery of coffee in Ethiopia was obtained from <http://www.africa-ata.org/coffee.htm> on December 29, 2007.

Historical accounts suggest that Ethiopia has been a coffee exporter for centuries; in 1844 a “writer by the name of Harris” determined that Arabia was one of the country’s first clients and had been so for some five hundred years.⁷ One can surmise that during those centuries Ethiopia most likely enjoyed a prosperous economy.

During the latter half of the eighteenth century major military conflicts led the country into a slow decline, yet it retained enough power to avoid colonization during Europe’s nineteenth century “carving up” of Africa. Unlike other independent nations, however, the infrastructure created by the industrial revolution never quite became settled in Ethiopia. As a result, Ethiopia gradually slipped from its position as a core country to a periphery country, from a developed to a developing country, and from a producer of fine goods to a producer of raw materials.

This decline is a key source of Starbucks’ ability to exploit Ethiopian coffee producers, and illuminates the ways that the economic tools and sometimes violent tactics of modernity created our current world system. Yet the world need not be chained to exploitative business practices; just as modernity arose from the ashes of feudalism, so can a new world system rise from modernity. The new system, which I call Global Age Cosmopolitanism, emphasizes social justice. The purpose of this dissertation is to define and expand the reach of this new mentality.

⁷Ibid.

An Overview of the Dissertation

This dissertation is a study of business ethics and business education. It is particularly focused on the Business Administration degree and the business ethics literature, while also considering university students, professors, and business practitioners. The key problem I address is how to create and teach an ethics of Global Age Cosmopolitanism (GAC). I approach this problem through a philosophical analysis focusing on political, economic, and educational principles. It is my hope that such an ethics will cause university professors and students to become engaged citizens who seek to solve the many problems that affect society and to sustain structural justice in global institutions, both economic and political.

The GAC ethic presupposes *civic universalism*, a theory of living well in accordance to the values and customs common to the global society. This includes pluralistic political, economic, and educational ideas that deal specifically with social and economic inequalities. While these issues have been neglected in business ethics to date, my goal is to make the elimination of such inequalities an inherent part of all global business practices. In other words, GAC is not only a mentality that maximizes economic benefits for periphery countries. It is also an approach that serves immigrants and emigrants who are constantly on the move in the search of economic autonomy. Finally, GAC provides theoretical and practical tools for business educators and practitioners who seek to effect social justice on a global scale.

Throughout the dissertation, business ethics education is not analyzed within curricular knowledge content per se. Instead, it is considered through a deconstruction of cultural norms that have been established in business practices since the onset of modernism. This deconstruction includes a combination of historical and contemporary examples. It points out certain limitations in the way that business ethics are typically taught and proposes an alternative approach that gives proper weight to global justice issues.

This dissertation capitalizes upon Stoic and Kantian approaches to critical thinking in order to bring to light topics that have historically been avoided in business ethics education and literature. In reference to these philosophical roots, I refer to the GAC-centered approach to ethics as critical business education. It allows students to reconsider the profit culture that drives current global business practices. I am particularly concerned with such practices as they are endorsed by Tecnologico de Monterrey, where I am a research professor.

Business Education

According to the 2007 *Forbes* magazine's biennial ranking of business schools, the calculation used to place schools at a particular rank is "based on return on investment—meaning compensation five years after graduation minus tuition and the forgone salary during school."⁸ Yet by 2009, the *New York Times* reported

⁸Christina Settimi and Kurt Badenhausen, "Special Report: Best Business Schools," *Forbes Magazine* (2007): 8-16. Accessed on August 27, 2008 from: <http://www.forbes.com/2007/08/16/best-business-schools-biz-07mbaczkb0816bschoolland.html>.

that new trends in business education were being sought out in academic programs and post-graduation career paths.⁹ Especially at the bachelor's degree level, business schools are starting to envision the education of business leaders. Such students have a greater vision of social issues rather than a singular focus on the bottom line.

One of the key competencies an individual must acquire during business education is decision-making. Business students are also encouraged to be creative, to constantly look for alternatives in a changing world, to be competitive, and to find successful patterns for generating wealth. Thus, even as students participate in academics, they are also members of the global economic system. In this system most people are passive recipients of a constant bombardment of consumer information—carefully planned marketing campaigns and business strategies that are focused on the sale of goods and services. Participants in the global age economic system can understand GAC ethics as a bilinear dependency in which the fracture of one entity (such as a periphery nation, or an unemployed immigrant laborer) will undoubtedly disrupt the other (a core nation, or a nativist business owner). We have long understood the complimentary and contested roles of merchants and consumers, so what remains is to have every person involved in this process realize that a type of cosmopolitanism is already being practiced, and

⁹Kelley Holland, "Is it Time to Retrain B-Schools?," *New York Times*, March 15, 2009. Accessed January 20, 2010 from: <http://www.nytimes.com/2009/03/15/business/15school.html?pagewanted=print>.

further, to enable all participants to promote GAC as an ethic to foster better social and economic conditions.

Chapter Two: Global Age Cosmopolitanism

The fundamental question that is intended to rise from Chapter Two is, “What is to be the role of universities and other educational systems in GAC business education?” The chapter opens by defining the term *cosmopolitanism*, a concept that has developed over several different historical phases. Three of these phases are discussed at length: Stoic Cosmopolitanism (SC), Kantian Cosmopolitanism (KC), and Global Age Cosmopolitanism (GAC). One might expect a definition of *modernity* as well, but to prevent confusion, readers will rarely find that term outside of the present, introductory chapter. Instead, I refer to certain economic and social ideologies that have been established during the past centuries. These include the idea of individual exceptionalism, often expressed by the phrase “a self-made man.” Another is the belief that the wealth of a private individual or individuals can be used to measure society’s standard of living or to classify the economic effectiveness of capitalism.

Chapter Two also describes how a global age cosmopolitan must behave in order to become a true world citizen. Most of the discussion focuses on political and economic principles, with an emphasis on creating an awareness of the distant other and the recursive nature of business actions within the global system. This chapter should be read as the first part of a business ethics education proposal that

promotes practices that will create a more balanced distribution of wealth among participants in the global economic structure. Nonetheless, the strategies described in this chapter are not applicable only to business education; for GAC to succeed, they must also be adopted by today's international businessmen. These businessmen are for the most part cultured and well traveled; they are generally viewed as great social achievers whose successes are a barometer of economic prosperity. Many are considered exemplary global citizens, but in fact very few behave in ways that should earn such accolades. Only after they endorse moral responsibility for correcting global and structural injustice—when they pursue a kind of global redemption, necessary for the reparation of past economic activities—will they have earned that title.

Chapter Three: Business Ethics Education

This chapter examines a selection of business ethics literature. The analysis engages two of George Devine's questions about business ethics. First, what do we really mean by the expression "business ethics"? Second, is the term "business" limited to those activities that are designed or intended to make a profit?¹⁰ These two questions are significant because they frame the business ethics genre.

This chapter also addresses the historical evolution of business ethics and how, as an area of study, it has neglected to take a preventive stance on social issues such as poverty. I make a distinction between the specific implications faced by

¹⁰George Devine, *Responses to 101 Questions on Business Ethics* (New Jersey: Paulist Press 1996).

individuals who work in a business and the social practices of businesses. In each of these two categories, the literature may be further classified as either “practical” or “philosophical.” My analysis indicates that the practical business ethics literature tends to deal with issues met by individuals, usually advising the application of an oversimplified “common sense” approach. In contrast, the philosophical business literature tends to deal with the social practices of businesses: collective issues, circumstances, consequences, and impacts.

Although quite different, both genres neglect the globalized vision needed to address economic justice issues. Indeed, most business educators and practitioners do not connect economic inequalities to the ethical practices of businesses. Do economic inequalities propagate the lack of ethics in business practices, or vice-versa? Should economic justice be a concern of business ethics at all? My research demonstrates that the business ethics literature approaches economic and social justice issues in ways that ensure they are completely disconnected from the actions of businesses and the people who run them.

Chapter Four: What Business Education Will Lead People to Global Age

Cosmopolitanism

The central question in this chapter is what type of business ethics education will best promulgate an adequate understanding of Global Age Cosmopolitanism. In other words, how can current business ethics that emphasizes crisis management,

evolve into an ethics that takes a preventive stance on social and economic justice matters?

One way to approach this problem is to contemplate its opposite idea, that the academic study of business ethics should be limited to applied ethics, with an emphasis on actual case studies. At its most narrow, this view holds that the primary ethical concern of the business is gain profit. Such a perspective essentially cancels all moral and community-good considerations and renders moot many ethical conundrums.

In contrast, a GAC ethics steps away from profit as the exclusive goal of business. Profits are of course needed; the question is not whether to earn them, but to what extent and for what purpose. A new, more ethically responsible design for profit making would emphasize its ability to establish and create greater opportunities in the social world. Such opportunities include, but are not limited to, employment, economic freedom, appropriate living conditions, and better education for all.

In making these arguments, Chapter Four draws from two aspects of critical theory. The first is reflexivity, the understanding that actions reverberate and affect not only their object, but also their subject. The second is critical theory's penchant for close literary analysis. Together, these allow every participant in the global system to consider the social consequences that will occur due to a given action or a lack thereof. This approach allows the cosmopolitan to engage in analyses of the

ways that business practices are directly and indirectly agents of change, often in places thousands of miles removed from the locus of decision making. It is specifically based on the premise that the achievement of ethical behavior can appear when business practitioners understand that negative global consequences will affect their own personal lives.

Chapter Five: The Business Curriculum for Business Ethics in Global Age

Cosmopolitanism

The last chapter of this dissertation analyzes the business ethics curricula and the administrative approaches of Tecnológico de Monterrey in its endeavor to promote business administration as a trademark career track within the institution. Tecnológico de Monterrey has in recent years tried to instill an ethics culture in its general population, with students and faculty participating in actions that promote ethics across the curriculum.

I do not propose specific changes to academic programs or the curriculum. Instead, I argue that a critical ethos of autonomy in academic culture at Tecnológico de Monterrey can only be achieved via a collective consciousness created among the students, and that this is most surely achieved if ethics—specifically, an ethics of social justice—becomes a consistent and constant presence in the academic curriculum.

Chapter Five includes an analysis of some of the ethics courses that have been part of the Business Administration curriculum at Tec de Monterrey. I also

examine the Business Administration curriculum in the years in which it was modified, 1982, 2000, and 2006; assess the new plan to renovate the Business Administration curriculum; and consider why the Tecnológico decided to undertake a name change from its original “Bachelor’s Degree of Business Administration” to the “Bachelor’s of Administration of Strategies and Innovation.” These latter changes are expected to go into effect as of the fall semester of 2010.

The discussion in this chapter inevitably brings us back to the focal question of the dissertation: what type of education ought we to foment for GAC? My focus is on university education, but it is clear that the responsibilities of GAC should be inculcated from the very beginning of a person’s education. Policy makers need to recognize the importance of education at every level and its enormous impact on society.

This leads to the question of the degree to which twentieth century industrial processes have influenced the economic development of core countries. Of even more importance, how has industrialism influenced education programs that are designed to train low-level workers in semi-periphery and periphery countries? Historical interpretations that foster derogatory national identities in periphery countries are easily found in the curricula that are being used in such programs. Such examples make it clear to every participant in the educational system that there is a clear-cut distinction between *us* and *them* that must be eliminated in a GAC world.

This chapter provides many examples of practical and philosophical models of individual practice, as well as changes in the Business Administration curriculum, that can promote the ethical practices required for GAC. One of the main goals of the dissertation is to make a specific connection between the academic discipline of business ethics, the practice of business ethics, and the responsibility both should have for the promotion and creation of economic justice. As both a degree and a profession Business Administration requires a much more profound ethical focus—one that engages critical analysis, social awareness, and a realistic understanding of the social consequences created by irresponsible business practices.

Conclusion

This dissertation aims to become part of an educational effort conducted by the Tecnológico de Monterrey to promote economic justice across the curriculum. This endeavor should serve as a tool in pursuit of consistent exposure to ethics across the curriculum. It should also serve to promote the continuous ethics-based educational and research agendas that are scheduled for evaluation in the 2015 University Mission.

CHAPTER TWO

GLOBAL AGE COSMOPOLITANISM

Introduction

Cosmopolitanism suggests world citizenship, an idea that developed through several different historical phases. Three of these are considered in this chapter. The first two, Stoic Cosmopolitanism (SC) and Kantian Cosmopolitanism (KC), are primarily philosophical. The third, Global Age Cosmopolitanism (GAC), is primarily socioeconomic and political, although it includes philosophical elements. Because the rest of this dissertation is concerned almost entirely with GAC, it is important to review its historical roots in SC and KC. This chapter also considers the relation of GAC to business ethics practice and business ethics education.

Because the transformation of business ethics education is the main objective of this dissertation, much of the discussion below focuses on political and economic principles. In other words, this chapter is the first part of a business ethics education proposal that promotes the practice of a more balanced distribution of wealth among the stakeholders and the stockholders of the world. The proposal is illustrated via the ethical and analytical discussion of contemporary examples that were chosen in order to encourage new ideals in business ethics

literature and global business practices, and to particularly encourage widespread application of the GAC approach in these realms.

Plan of this Chapter

This chapter begins with classical ethical reviews of universal principles, political and economical views of international relations, and the laws common to all people—the *Jus gentium*. Contemporary literature on cosmopolitanism is woven into the historical review. Later in the chapter, the ideas of SC and KC will be used to exemplify the traditional thinking of the citizen of the world and contrasted to the concept of GAC, which is an ethic of global economic justice. The three forms of cosmopolitanism can be contrasted in terms of the following categories (see Table 1).

Table 1: Three Forms of Cosmopolitanism

| CATEGORY | STOIC COSMOPOLITANISM | KANTIAN COSMOPOLITANISM | GLOBAL AGE COSMOPOLITANISM |
|---|---|---|---|
| <i>Distinctive philosophical principle</i> | All persons are rational animals but only some have political autonomy. | All persons are rational and have political autonomy. | All persons must seek to create and sustain structural justice in global institutions, both economic and political. Build local wealth. |
| <i>Distinctive philosophical representative</i> | Seneca | Immanuel Kant | Martha Nussbaum Amartya Sen Peter Singer |
| <i>Distinctive socioeconomic conditions</i> | The Roman Empire | Sovereign Nation States | Transnational institutions such as the United Nations, the World Trade Organization, and the World Bank |

| | | | |
|--|--------------------------------|--|---|
| <i>Typical focal contents and issues</i> | Personal integrity and virtue. | Rules of citizenship and hospitality. Avoidance of war. | Socio-Economic responsibility towards the other. Business ethics education and business practice. Economic Justice. Root responsibility in the hands of the local. |
|--|--------------------------------|--|---|

The Origins of Cosmopolitanism: The Stoics

Cosmopolitanism derives from the Greek term *kosmopolitês*, “citizen of the world.” In the first century AD, Seneca proposed cosmopolitanism as a liberating practice. This idea, its meanings, and the practices thought appropriate to it have generated theoretical discussions ever since. In some instances, some considered the businessmen and individuals who engage in an interconnected global economy to be world citizens. However, for the most part, across history the cosmopolitan has been more of a cultural and aesthetic position. An international economic structure provides benefits and privileges for the individual who visits or does business in different countries, yet typically such an individual resides in none, or just one, of the countries in which he trades. This fosters a sense of personal detachment and a lack of direct social responsibility towards the other countries.

International businessmen who engage in global business practices are in fact considered global citizens, acquiring special privileges and economic pluses in society. Being referred to as well-traveled, cultured, a globetrotter, or a frequent

flyer is in most social realms a compliment and an indicator of economic prosperity. Beyond such descriptors, however, what characteristics and attitudes does the businessman or frequent flyer possess?

The Stoics set out a cosmopolitanism that implied recognition of the other (or more specifically, those who were not Greek or Roman) as a human being. However, SC did not include political rights such as citizenship or economic laissez-faire as we know and understand them today. Instead, a world citizen in the Stoic tradition was an individual not tied down to any specific regional rule of law, even though he or she became a direct economic and social participant of almost every culture that was encountered. This is one of the key elements to be understood in this chapter: *the cosmopolitan in the Stoic tradition is not economically and politically globalized.*

As early as 308 BC, the Stoics taught the use of reason and the autonomy of the individual. Self-control and personal integrity were methods to achieve virtue, wisdom, and an unbiased character. The Stoics tried to develop clear judgment in the individual through logic and experience. They accepted the idea of a single humanity united by a model community, and while this by no means required a world government, it did require cultural and moral empathy on the part of individuals.

Since the Stoics, it has remained essential for cosmopolitanism to hold reason and autonomy as two essential characteristics of a world citizen. An *ethos*, the

fundamental character of a culture and its set of values, becomes then an essential component for cosmopolitanism in the business practitioner. Businessmen have, for the most part, come to understand that while economic profit is a key element of global business practice, success can be achieved with little regard to a specific distribution of wealth among every participant in trade. The business ethos has thus become characterized by an autonomous moral competence shaped exclusively by economic profits, without concern for economic justice.

In order to address the main issues that are now relevant for global economical and political practices, it is important to understand that SC lacks ethical and theoretical content adequate to such issues and processes. Seneca recognized that it is impossible for a human being to attend or alleviate the needs of everyone. In that Senecan tradition, SC establishes a lax cosmopolitan—one who disregards social and economic responsibility for distant others, particularly in business practices.

Stoic Cosmopolitanism and Business Practice

It is unlikely that cosmopolitanism based strictly on the hope that individuals will develop empathy for others, or on a purely philosophical understanding of what ethical behavior ought to comprise, can achieve positive economic or social outcomes of any global significance. As noted above, the businessman's ability to segregate profit-seeking activities from their effects on others makes this particularly the case in regard to business practices. However, most contemporary

thinkers believe that concrete global agreements among citizens, specifically in the realms of global politics and economics, would promote social justice—especially for those most in need. At this point a question arises: How can individuals come to understand and internalize a cosmopolitanism that features a more inclusive economic morality, a stronger economic empathy, and an insistence that political relationships promote mutual respect among citizens of the world? In effect, how can individuals come to understand and internalize a cosmopolitanism more suitable for our current global age?

To answer these questions, we must understand why such features were absent from Stoic cosmopolitanism. The succinct response is that the Stoic businessman-cosmopolitan did not attend to the “rules” of globalization. Globalization is a social, economic, and political phenomenon in which different educational and cultural practices are brought together in new and diverse ways; this mixing creates innovation and the development of new practices, a recursive and regenerative process that continues over time. Although international trade undoubtedly fostered some degree of social, economic, and political interaction at the time, the Stoics simply did not address such issues. While the Stoics propagated an abstract philosophical ideology of cosmopolitanism, they omitted an analysis of concrete socioeconomic processes and neglected to contemplate the creation of economic structures inclusive of every individual in society.

Second Cosmopolitanism: Kant

Immanuel Kant's, *Idea for a Universal History from a Cosmopolitan Point of View*¹ was published in 1784. In this treatise Kant calls for societies to engage in dialogue and unification, noting that cosmopolitanism could thus address social instability and inequality among individuals. He advocates for this approach via nine theses that together call for international institutions to come to a uniform view of the world and—more importantly—unified goals for progress or development. In contrast to SC, Kant suggests that the definition of a philosophical task and a right to philosophy should be formulated as part of *Kosmopolitisch*...² A second idea -- that of *ethos* combining morality and freedom is intertwined in his argument.

Around 1795, thinking in cosmopolitan terms, Kant presented a formula called categorical imperative: "Act so that the maxim of thy will can always at the

¹The title to this essay is footnoted thus: A statement in the "Short Notices" or the twelfth number of the *Gothaische Gelehrte Zeitung* of this year (1784), which no doubt was based on my conversation with a scholar who was traveling through, occasions this essay, without which that statement could not be understood. (The notice said: "A favorite idea of Professor Kant's is that the ultimate purpose of the human race is to achieve the most perfect civic constitution, and that he wishes that a philosophical historian might undertake to give us a history of humanity from his point of view, and to show to what extent humanity in various ages has approached or drawn away from this final purpose and what remains to be done in order to reach it.") **Source:** *Idea for a Universal History from a Cosmopolitan Point of View* (1784). Translation by Lewis White Beck. From Immanuel Kant, "On History," (Indianapolis: The Bobbs-Merrill Co., 1963). Transcribed by Rob Lucas.

²Jacques Derrida, "Of the Humanities and the Philosophical Discipline: The Right to Philosophy from the Cosmopolitical Point of View (the example of an international institution)," *Surfaces* IV, 310 Folio 1 (1994), *Montreal Vendome* (Editions UNESCO verdier PUF) (1997). In a Kantian tradition, Derrida illustrates a philosophical proposal for a historical challenge that the human race was bound to encounter in the economic quest in order to achieve social development. The term universality is to be contemplated as an essential for understanding the view that the cosmopolitan ideal ought to portray.

same time hold as good as a principle of universal legislation.”³ This maxim addresses the question of how we ought to live our lives, suggesting that we should live both *in* society and *for* society. To some, it may seem naïve (or even impossible) to try to understand how one is to live life based upon such a maxim. It is not naïve, however, to observe that most of modern Western civilization has neglected to abide by a maxim that invokes respect for the Other, let alone one that allows for the economic freedom that supports individual dignity among the downtrodden.⁴

In regards to global education, a topic addressed later in the dissertation, Kant conceptualized transcendental critique of reason as well.⁵ This was in 1795, when Kant was seventy-one years of age and his philosophical thoughts were culminating, he wrote *Project for a Perpetual Peace* (often known simply as *Perpetual Peace*). It was thought by Hans Saner to be the philosopher’s most important political treatise. Commenting on a section titled “The Road to Unity,” Saner points out that: The cardinal problem of all politics is the establishment of

³Immanuel Kant, “The Critique of Practical Reason,” in *Great Books of the Western World: Kant*, ed. M. Adler (Toronto: Encyclopedia Britannica Incorporated, 1971), 302.

⁴Ibid., 1. In order to exemplify the idea of *The Other*, Odysseus uses the term *xenos* to address the being of an outsider of “narrow communal determinations.” And then proceeds, “Yet it simultaneously contends that the bestowal of human rights does not necessarily or directly lead to an ethics of inclusiveness; while the attribution of universal humanity to all may appear as an appropriate means of extending ethical regard to all others, this does not immediately follow from such a legalist gesture.”

⁵J’org Ruhloff, “Problematising Critiques in Pedagogy,” *Journal of Philosophy of Education* 38, no. 3 (August 2004): 379.

civic unity, whether among many individuals or many states, and whether in a firmly delimited area (a state, a union of states (the world)).⁶

As Kant's interest at this point is unity, *Perpetual Peace* can be interpreted as groundwork for Kantian Cosmopolitanism. As Mark F. N. Franke pointed out in 2001, "*Perpetual Peace* serves as a text underlying the greatness turn against idealism achieved within international relations theory in the past century."⁷ It took Kant over fifty years to create an ideology that could provide a foundation for morality in men—or in other words, to envisioned the project of cosmopolitanism. Notably, it took almost two hundred years for philosophers and others to begin to ponder and practice Kant's vision of the peaceful unification of the world.

Kantian Cosmopolitanism and Business Practice

Kantian cosmopolitanism can clearly be seen as a precursor to contemporary ideas of globalization. However, Kant lacked the ability to achieve a truly globalized cosmopolitanism because *he did not directly engage with the kinds of practical economic issues and events that are relevant in modern global business practices today.*

During the past century or more, the economic status of private individuals has frequently served as the preferred measurement of (or proxy for) a given

⁶Hans Saner, *Kant's Political Thought: Its Origins and Development* (Chicago: The University of Chicago Press, 1973).

⁷Mark F. N. Franke, *Global Limits: Immanuel Kant, International Relations, and Critique of World Politics* (Albany: State University Press, 2001).

society's standard of living. As a result, the economic status of these private individuals is often utilized unquestioningly to classify economic effectiveness, progress, and development. If we consider the economic status of individuals in global comparison, we can see that the pursuit for universal legislation⁸ promoted by KC, has resulted in "affluent countries" being "actively responsible for most of the life-threatening poverty in the world,"⁹ given that the affluent countries pursue economic progress (meaning the economic well-being of their own citizens) with little regard for the citizens of other countries.

Why have the structures of the global economy neglected the causes of poverty, human rights violations, and other social injustices throughout most of the past century? Economic greed can be adopted as a simplistic answer. However, a more nuanced reply might be that education in the nineteenth and twentieth centuries focused primarily on economic and technological development and growth, rather than on social and economic sustainability. In other words, the educational institutions of these centuries promoted a process where "the achievement has cancelled the premise,"¹⁰ creating an ethos in which the conditions of social oppressor and oppressed were acceptable. Put another way, individual

⁸Ibid., 2. Kant "then the 'form of a universal legislation' will necessarily be the 'condition' to which its determination of the will is subject (that is, the condition that makes the determination possible), so that any principle that has its source in reason will necessarily have this form." Stephen Engstrom paraphrases Kant in the introduction to the Hackett, 2002 Edition.

⁹Thomas Pogge, *World Poverty and Human Rights: Cosmopolitan Responsibilities and Reforms*. (Cambridge: Polity Press, 2002).

¹⁰Herbert Marcuse. *One Dimensional Man* (Boston: Beacon Press, 1964).

wealth remained the most common proxy of a nation's overall well-being because educational institutions emphasized Enlightenment ideas; people were trained to value the rights of the individual over the rights of the society and to think of well-being empirically—a process more easily accomplished via the analysis of numeric data (such as that on individual income) than via more complex qualitative studies.

Notably, today's frequent flyers are being trained to think in essentially the same ways. This is problematic because it is now clear that the world, once a place of seemingly infinite resources, has become finite. Further, phenomena such as global warming have illustrated that business practices that initially appear to impact only distant lands can and do have effects that reach across the world. Since the Enlightenment, businesses may have learned efficient ways to expand throughout the globe, but business ethics education and much of the business ethics literature have promoted a cosmopolitanism that has, for the most part, neglected to address real economic and social inequalities among core and periphery countries.

What are the core and the periphery? For the purpose of this discussion, the term *core* glosses global economic interests, the bourgeoisie, and the countries of the so-called First World, while *periphery* represents local economic interests, the impoverished, and the countries of what are commonly thought of as the Second and Third worlds. In this context it is important to remember that core and periphery actually represent broad oppositional forces, and that those forces engage in frequent debate. Further, because they include several related kinds of

institutions, there are those who object that *core* and *periphery* are not real entities in the global economy; within the confines of this dissertation, however, the terms provide a sort of rhetorical shorthand that helps to frame the general argument for GEC ethics and education.

Finally, it is imperative to understand that desperate economic necessities often thrust periphery interests into disadvantageous long term agreements with core interests despite foreknowledge of the extensive economic, environmental and social damage that any given agreement will cause in the periphery. In order to be economically attractive for both core and periphery countries, global business practices show a preference for foreign investment that can occur with a minimum of trade, environmental, or other restrictions.

For the most part, it would be difficult to deny that global corporations are interested in constant marginal profits, with little or no regard for social, economical or educational development in periphery countries. One must ask, however, if true laissez-faire economics can occur where the bourgeois or core interest dictates terms and conditions for business transactions that at the same time impose difficult political and social conditions on the impoverished or periphery interest. As noted above, this is a key limitation of Kantian Cosmopolitanism, and one, which can only be solved through a more comprehensive approach.

Third Cosmopolitanism: Global Age Cosmopolitanism

Cosmopolitanism in the global age is different from the Stoic and Kantian cosmopolitanisms that have been endorsed by history. Although early business ethics literature and practice implied a lax or limited cosmopolitanism, today they must account for global institutions and rules that did not exist even fifty years ago, but which now regulate the international economy. Business ethics in a global age must also take into account factors such as immigration, the transnational displacement of production facilities, and other phenomena deriving from economic choices that create social impacts in both the core and periphery.

The GAC ethic is a cosmopolitan perspective that presupposes civic universalism. It implies a wider and more complex involvement in the global community than is present in the common understanding about cosmopolitanism (which is primarily oriented towards “public culture”).¹¹ Civic universalism involves the individual in a search for collective and active social responsibility where as public culture is a mere status of belonging to a group in society. Instead, the GAC ethic is intrinsic to the education and observational awareness of individuals, framing the information they send, receive, and interpret from the world around them. As such it could represent a primal stage of consciousness (and conscientiousness) that inherently produces a checks and balances of a global

¹¹Sheldon Pollock, Homi K. Bhabha, Carol A. Breckenridge, and Dipesh Chakrabarty, “Cosmopolitanisms,” *Public Culture* 12, no. 3 (2006): 577-589.

ethos.¹² Business education and practices oriented toward a GAC ethic would serve the majority public interest by focusing on the identification of common social and global issues such as the alleviation of poverty.

The GAC ethos is to be understood as a theory of living well in accordance to the values and customs common to the global society. Human cultures have always been subject to collective modifications of behavior, which are identifiable over time as changes in the predominant ethos. Thus, the emergent GAC ethos can be illustrated by the common global rejection of the practice of slavery: as a global community, we now object to the subordination of a human being when that subordination is based on the absence of rights and the imposition of power.

Globalism and Modernity

Writing in 1996, Martin Albrow considered the dialectic of modernity:

Far from modernity giving history its full dignity, it deprives the past of any meaning except as a prelude to itself, and cannot imagine the future except as its own continuation, or else chaos.¹³

He further claimed that innovations in communication and technology were causing “modernity” to fade and be replaced by a “global age.” Albrow’s work provokes a question of whether there is, or should be, a distinction between the business practices of the modern age (also referred to herein as “traditional”) and those of the new global age. Further, is it possible to conjoin aspects of a traditional

¹²Ibid., 1.

¹³Martin Albrow, *The Global Age: State and Society Beyond Modernity* (Stanford: Stanford University Press, 1997).

or “modern” approach to business and the global approach in order to address not only economic outcomes, but business-driven moral and ethical outcomes as well? If we accept Albrow’s claim that the modern era is ending, then it does not necessarily follow that business practices have in fact been fundamentally modified by the past twenty years of innovations in communication and technology; rather, new tools in these areas may simply have been put to old uses. It is more important to consider whether corporations have taken ethical issues into account in decision-making processes—even if these globally-oriented issues have been added to, rather than replacing, the “modern” emphasis on profit. One must also consider to what extent corporations that have not only retained traditional business ideologies and practices, but have refused to endorse more socially beneficial practices, have been economically successful.

There is a general consensus that traditional or modern business practices have abided by a group of well-defined economic principles that underlie trade. The connection among these principles and practices is embodied by profits. In contrast, modern business practices have for the most part approached corporate social responsibility as a group of moral principles that are rather abstract and incoherent; as Milton Friedman assertively pointed out, only people have responsibilities. If we take Friedman’s premise as true, then business activities, as collective rather than individual efforts, take place in a realm in which bribery, corruption, discrimination, and other negative behaviors find scaffolding in an

apparatus that has no social conscience. Friedman was clear in defining the bottom-line responsibility in regards to business practices: it is about the profits. Under this model, creating profits is also thought to generate the inevitable realization of positive outcomes. This, Friedman's adherents say, is why modern business practices have achieved an abundance of wealth and have persuaded so many individuals that supporting (mostly) free capitalistic practices is the only way to achieve happiness for the majority.

Global Age Cosmopolitanism and Business Practice: Setting the Agenda

The short account of the GAC ethic raises further questions that contribute to the agenda for the remaining chapters of the dissertation. The first question is: Can socio-economic injustices be solved via common agreement in regards to a *universal legislation*? This is important because the idea of a globalized unification program "often becomes an ideological device that states and governments employ as an excuse for imposing certain policies that would otherwise fail to gain public acceptance or support."¹⁴ Correlatively, are international agencies like the United Nations, the World Bank, the International Monetary Fund, the World Trade Organization and others capable of enforcing such legislation without turning into tools of "western-homogenization"?¹⁵ Does GAC require universal legislation or can

¹⁴Marianna Papastephanou, "Globalisation, Globalism and Cosmopolitanism as an Educational Ideal," *Educational Philosophy and Theory* 37, no. 4 (2005): 540.

¹⁵Ibid.

there be some sort of moral *consensus universalis* on which all rational individuals can agree upon an economic ethic? Can we fix the “immoral globalization”¹⁶ of economic processes through a critical educational system? If so, the question should not be how to relieve inherited injustices, but rather, how overall relief from economic injustice can be achieved.

Global Age Cosmopolitanism should be an imminent characteristic of all global business practices because it includes pluralistic political, economic, and educational ideas that deal specifically with social and economic inequalities. In this respect, GAC is an ethic as well as an economic and political system. As will be explained in later chapters, it ought to serve as a theoretical starting point for the development of a critical business education.

Global Age Cosmopolitanism and Pluralism

The ethic of cosmopolitanism is closely related to the ethic of pluralism, especially as the latter figures in educational literature.¹⁷ This is implicit in Martha Nussbaum’s work, where one form of pluralist practice is described as “providing opportunities or capabilities, and then allowing citizens plenty of room to choose

¹⁶Trevor Norris, “Hannah Arendt and Jean Baudrillard: Pedagogy in the Consumer Society,” *The Encyclopedia of Informal Education*. Accessed on February 3, 2007 from: http://www.infed.org/biblio/pedagogy_consumer_society.htm#_edn60.

¹⁷Martha Nussbaum, *Cultivating Humanity: A Classical Defense of Reform in Liberal Education* (Boston: Harvard University Press, 1997). Nussbaum states that the Socratic self-examination process that should take place in educating for humanity should be pluralistic.

whether to function in accordance with the opportunities they have.”¹⁸ One can also engage with pluralism by considering the interaction of economic, political, and educational issues at a global level. Each of these three aspects directly influences cosmopolitanism as an ethic.

One of the primary purposes of this dissertation is to identify root problems for GAC. Since one of the primary foci is business practice, it is important to understand the ways that economic factors entangle more purely social practices such as those of politics or education. For example, in the United States, the middle class became well established during the twentieth century. This was possible due to economic growth, which was indeed vital—but insufficient in and of itself—to establish a middle class. An additional component, the establishment of labor unions, was also necessary, although unions, in and of themselves would also have been insufficient to create a middle class. Labor unions obtained “paid vacations, forty-hour work-weeks, time-and-half for overtime, health insurance, a pension and most of all, job security.”¹⁹ These conditions enabled the general public (not just union members) to achieve a better quality of life and opportunities for the ethical development of the individual; the realization of most, if not all, of these social privileges involved strong quarrels between the owners of the means of production

¹⁸Martha Nussbaum. *Upheavals of Thought: The Intelligence of Emotions* (New York: Cambridge University Press, 2001).

¹⁹Peter Barnes. *Capitalism 3.0: A Guide to Reclaiming the Commons* (San Francisco: Berrett-Koehler Publishers, 2006), 157.

and the workers. This case illustrates one way that the economic can be political and social. It also illustrates the general principle that achieving benefits that allow for a more ethical social and family life must be strongly negotiated with the owners of the means of production.

Subsequent chapters in this dissertation will include additional analyses of pluralism in order to portray GAC as a platform for obtaining the social privileges that were set in place in the United States in the twentieth century. While the example in the previous paragraph illuminates the role of unions in such achievements, American labor collectives were in fact assisted by a variety of other social movements that also sought social and economic equality among individuals. Pratap Bhanu Mehta asks, "What new patterns of stratification and power will emerge from this constellation?"²⁰ In regard to the recent patterns of culture displacements, mobility, compressed space, and other social and global exigencies now being created. In the global age the basic necessities are perhaps the same as they have always been; however, the way in which they are to be obtained vis-à-vis global business practices requires a global cosmopolitan ethic that deals with these new challenges.

²⁰Pratap Bhanu Mehta, "Cosmopolitanism and the Circle of Reason," *Political Theory* 28, no. 5 (2000).

Economic Justice and Global Age Cosmopolitanism

Economic justice is to be a primary aim for GAC. To bring about economic justice, one of the most important duties of the global cosmopolitan and other critically educated thinkers is to find information available through global communication technology and engage in practices of observation and denunciation that are even now being developed. These “observe-denounce” practices will provide an important field of opportunity in GAC because many individuals have not been well informed (or have been purposefully misinformed) about global contingencies. This is especially the case for residents of core countries, who often misunderstand the daily lives of their fellow global citizens.

Bringing economic justice into the discussion of GAC exposes the irony in the common belief that the modern business practitioner is the “ultimate” cosmopolitan. In fact, there has been a distinct lack of solidarity among business practitioners because they tend to have rather volatile understandings of the cultures and *modus vivendis* encountered in periphery countries. For the business practitioner, then, cosmopolitanism is mostly seen as a skill set acquired in the experiences of travel rather than as an ethical and social framework for doing business.

In keeping with this (non-GAC) ethos, the business literature has generally tended to refer to the “global” as a strategic mindset:

To be global, a company not only must do business internationally but also have a corporate culture and value system that allow it to move

its resources anywhere in the world to achieve the greatest competitive advantage.²¹

For the individual, 'being global' is thus a question of practical skills one achieves in order to create an appropriate scenario for profits creation, or as it is referred by Rhinesmith, a "competitive advantage" over other individuals and corporate organizations.

Fortunately most of the thinkers willing to analyze the ethical dilemmas of economic development in an era of globalization are not only bringing these relevant issues to the table, but also and at the same time asking questions that need to be addressed by the entire global community. An increasing number of civic leaders, philosophers, economists, politicians, entrepreneurs, and others now question the business agenda that has affected our common social realm. They have also become concerned about the dialectic between core-defined "progress" and local social injustices that is in constant play in periphery societies around the globe. Hence further questions arise. Can we attribute this distorted ideology of progress to the duality between profit and ethics? Furthermore, is this duality between profit and ethics a cultural creation of the narrowly focused "global mind set" characteristic of the "cosmopolitan business practitioner"?

²¹Stephen H. Rhinesmith, *A Manager's Guide to Globalization: Six Skills for Success in a Changing World*, 2nd edition (Chicago: Times Mirror Higher Education Group, 1996).

The Uses and Interpretations of Economical Data

Specific numbers from the United Nations Development Program demonstrate that global economic exchange has increased significantly in the past thirty years. Loans from the World Bank alone have grown from \$265 billion in 1975 to \$4.2 trillion in 1994.²² Such data might lead one to claim that as a global community, we are better off today than we were ten years ago, but that is a questionable assertion. As economist Amartya Sen asks, “Better off? What aspects of people’s condition should be equalized?”²³ One might respond with another question: What liberties do individuals hold in every community to be of vital importance for appropriate existence? Arneson mentions “capabilities, advantages, welfare, and opportunities for welfare”²⁴ For those analysts who wish to know whether we now have more welfare available for more people than we did thirty years ago, the numbers will answer in the affirmative. However, even if this is the best question—and that is not at all clear—the use of strictly numerical data may impose an additional “problem of nebulosity,”²⁵ the belief that various aspects of human welfare such as growth or progress can be drawn unquestioningly from

²²Darrel Moellendorf, “Persons’ Interests, States’ Duties, and Global Governance,” *The Political Philosophy of Cosmopolitanism* (2005): 148-163.

²³Stephen Cullenberg and Prasanta K. Pattanaik, eds., *Globalization, Culture, and the Limits of the Market: Essays in Economics and Philosophy* (New Delhi: Oxford University Press, 2004). Richard Arneson in an essay entitled, “Equality of What?” is interviewing Amartya Sen.

²⁴*Ibid.*, 177.

²⁵*Ibid.*, 180.

numbers. Unfortunately, rather than being better indicators because they are closer to “raw” data, many numeric accounts actually prevent a real understanding of development.

A short example can illustrate the problem of nebulosity. The World Bank and the United Nations have stated in the recent past that of the “global population of more than six billion, about one-fifth, or 1.2 billion, live on less than \$1 per day, and nearly half, or 2.8 billion, live on less than \$2 per day.”²⁶ However, we can use these numbers to state proof of growth by calculating PPP (purchasing power parity). One can counterclaim with equal validity that these data present solid evidence of increased poverty because they indicate that fifteen percent of the population holds eighty percent of the wealth the world produces. This “nebulosity” enables corporations and other core entities to manipulate social perception one way or the other.

Notably, neither interpretation of the evidence addresses the fact that despite efforts at development, poor people around the world are still dying at untoward rates. There are data on the relationship between death rates and the distribution of wealth over time, of course, and one could consult those for additional insight. However, the more relevant issue in terms of business education is how to ensure that present and future entrepreneurs can best be exposed to

²⁶Ibid., 36. Peter Singer, *One World: The Ethics of Globalization* (USA: Yale University Press, 2002), 79.

accurate information and interpret it such that a threat-action format could trigger a social-ethical preventive action.

Cosmopolitan thinking in the globalized economy allows one to recognize that a major difference between a GAC business ethicist and a traditional or “modern” business ethicist is the answer each gives to the question of who is responsible for, and what duties they are now obligated to because of, global economic practices that have been imposed since the industrial revolution. Because the disjuncture between GAC and modern business thinking is so complete, it is necessary that even as we encourage better global economic practices we must also strive for a renewal of international law in such areas as economic justice and immigration.

There are many examples of legal practices that should be changed to accord with GAC. Derrida, for instance, points out the “mean-minded” interests of the French government regarding political asylum. For the purpose of “immigration control,” the French policy is that asylum will only be granted to those “who cannot expect the slightest economic benefit upon immigration to France.”²⁷ Clearly, this is an economic restriction disguised as a prosperity practice. Should asylum-seekers not be entitled to work? Should someone be excluded from the human right to asylum simply because they are unable to produce? Should the concept of economic

²⁷Jacques Derrida, *On Cosmopolitanism and Forgiveness* (Thinking in Action Series) (New York: Routledge, 2001).

benefit be manipulated in order to favor the “right” immigrants and keep out the “wrong” immigrants, however that might be defined?

According to Amartya Sen, during the 1940’s the term “development” was coined as part of an economic growth theory directed toward poor countries, the primary focus of which was on increasing GDP.²⁸ This model of development-as-growth has come to be socially accepted. Yet its definition of well-being rests upon such things as employment increments, lower prices in goods and services, and the competition for consumers. *It is not focused at all around social and economic justice.* Rather, this model applauds benefits that are rooted upon a cost reduction system that actually *feeds* social and economical injustice. As such it leaves many questions unanswered. For instance, Sen questions whether measures of “development” such as a nation’s GDP take into account the provision of public education, health care, and political and civil rights. Are these not important? Sen answers that “Development requires the removal of major sources of unfreedom: poverty, as well as political tyranny, poor economic opportunities...”²⁹ These are not new unfreedoms, but they have rarely been made visible to the eyes of the modern “cosmopolitan” business practitioner.

²⁸Nermeen Shaikh, “Interview with Amartya Sen,” Asia Source Q&A Interview (December 6, 2004), accessed March 3, 2006 from: http://www.asiasource.org/news/special_reports/sen.cfm.

²⁹Amartya Sen, *Development as Freedom* (New York: Random House, 1999).

There are many additional examples of the problems with the traditional model of economic growth as practiced by international organizations such as the WTO. For instance, WTO negotiations that promote “asymmetrical protections of their markets through tariffs, quotas, anti-dumping duties, export credits”³⁰ and other forms of protectionism impair the development of poor countries. In such cases, traditional models of development generally point to the increase of “overall opulence”—but even in this apparently better-off situation, many individuals suffer from a deficit of elementary freedoms.

The social and political implications of economic policies are to be viewed from a very different perspective under the GAC. In comments about the process of economics under globalization, Ulrich Beck notes that

The first reaction of the mainstream was to deny the reality or relevance of (economic) globalization and to declare that nothing that fell under the heading ‘globalization’ on the social scientific agenda was historically new.³¹

It is incumbent upon GAC to identify both locally and globally interconnected ways to create a more mediated economic condition that can provide the primary freedoms that authentic development requires. A key question is thus how formal education especially at the university level can be shaped to foster such change.

³⁰Pogge, 105.

³¹Ulrich Beck and Ciaran Cronin, *Cosmopolitan Vision* (Malden: Polity Press, 2006).

GAC and the Differences between Morality and Politics

Within the GAC perspective, global politics refers to the affairs of structural global governance among world states. Some political theorists propose cosmopolitanism itself as a kind of political order or system. In contrast, this dissertation approaches the theoretical framework of politics on both the local and global scales by addressing the question of how economic justice can be ensured.

Political theorists tend to ask, “Do national boundaries have fundamental moral significance, or do we have moral obligations to foreigners that are equal to our obligations to our compatriots?”³² Traditional nationalist argue that under the first obligation, cosmopolitanism yields to the demands of unbridled nationalism. However, given the conditions in global business practices and the international economic structures that are created by these practices, GAC requires a structured global political agenda in order to create better economic conditions, particularly for periphery countries.

In considering such a structured global political agenda, another distinction one should make is between social or moral dilemmas that require a simple sense of empathy and those that must be addressed by political action. Without careful analysis, the relationship of these two categories of dilemma can be confusing. According to Carol Gould, *moral cosmopolitanism*, as an ethic, can refer to universalistic ideas about moral persons in the globe and their duties and rights. In

³²Gillian Brock and Harry Brighouse, *The Political Philosophy of Cosmopolitanism* (New York: Cambridge University Press, 2005).

contrast, *political cosmopolitanism* deals specifically with the practice of democracy on a global scale and governance that is plural and inclusive.³³ The latter can be traced to the “eighteenth century when the term *Weltbürger* (world citizen) became a key term of the Enlightenment.”³⁴

As was noted earlier, Immanuel Kant linked the cosmopolitan idea to the conception of public reason in order to identify the world citizen. The Stoics were the first to propose an “allegiance” being “owed” to the “moral realm of humanity” and to “all persons as citizens of reason and the world.”³⁵ However, the global political order under GAC requires what Kok-Chor Tan calls a necessary “mutual connexion”³⁶ between the moral and the political due to the instrumentality of inclusiveness and pluralism for global justice.

GAC, Philosophy, and Environmentalism

Although GAC primarily addresses socioeconomic and political issues, it is also philosophical. It includes and transforms the Stoical dimension of universal reason and the Kantian dimension of personal autonomy by treating the usual moral issues of virtues, rights, and duties in structural terms rather than as individual

³³Carol C. Gould, *Globalizing Democracy and Human Rights* (New York: Cambridge University Press, 2004), 166. The terms Moral Cosmopolitanism and Political Cosmopolitanism are used by Gould to exemplify models of global cosmopolitan democracy.

³⁴David Held, “Principles of Cosmopolitan Order,” in *The Political Philosophy of Cosmopolitanism*, edited by Gillian Brock and Harry Brighouse (New York: Cambridge University Press, 2005), 10-27.

³⁵*Ibid.*, 10.

³⁶Kok-Chor Tan, *Justice Without Borders: Cosmopolitanism, Nationalism and Patriotism* (New York: Cambridge University Press, 2004).

rights and liabilities. That is, it recognizes that injustices can be the result of impersonal, global arrangements that have no individual person or persons as their authors. Thus, concern for the environment is an intrinsic part of GAC, since it involves conditions that global business practices have created over the past century or more.

A contemporary philosopher that I would consider to come close to my idea of GAC would be Peter Singer, since he has discussed the structural injustice involved in environmental issues. This is due to the fact that In *One World*, Singer presents a set of cosmopolitan dilemmas that deal mainly with issues of international law, global environmental problems, treaties, global economics, and similar problems. However, I would interpret his positions to be solely appropriate of an approach for a resolution of problems in a political realm. Singer's position is that all these issues are best dealt with directly, as issues of global ethical responsibility. An example of such work in action is the outcome of the Kyoto Protocol, which Singer interprets as an amendment to the United Nations Framework Convention on Climate Change (UNFCCC). The countries that have ratified this protocol have committed to reduce their emissions of carbon dioxide. As of February 2006, a total of one hundred and sixty-two countries had ratified the document, representing a total of 61.6% of all Annex I countries (thirty-five of these countries belong to the United Nations Environmental Programme).

The success of the Kyoto Protocol demonstrates that GAC can encourage ethical business practices at the global level by exerting influence or control through unification. Other concrete cosmopolitan proposals are being negotiated, mainly but not exclusively through the United Nations; nonetheless, GAC should be further involved in specific local and global issues that are related to the environment tied to economic issues. For instance, global industrial issues such as those relating to the allocation of green house gasses that are relatively new, and GAC should be involved in their resolution. Other environmental problems such as pollution, chemical dumping, social justice negligence in post-colonial Africa, and the starvation of children around the globe are GAC issues that ought to be considered questions of collective responsibility and hence should be understood as duties for global citizens.

Under GAC, the cosmopolitan philosophical response to the current environmental crisis entails a world-wide system of collective responsibility. A document defining this responsibility could begin with the fact that some of the most developed industrial nations around the globe have caused great environmental damage and have failed to commit to effective methods of repair. It would conclude with some statement about how recognition of this collective response leads to concrete actions. Such a document would undoubtedly be some time in creation, but at this point it is imperative to ask, as Singer has, whether in the broader philosophical context business ethics education and its academic

producers have done enough to educate business practitioners on environmental issues. What should be the role of universities and other educational systems in GAC education?

Conclusion

To become the dominant global paradigm, GAC cannot rely entirely on education, since not all education eradicates ignorance, and not all individuals (at least at this point in time) have access to education. Yet education is fundamental to the success of GAC, as awareness of the distant Other enables individuals to realize the ongoing economic and political destitution that has occurred among countries during the past century or more. One component of GAC education is historical memory, through which citizens in core societies realize that industrial development and economic growth would have been impossible without a global economic process involving the expropriation of natural and human resources. Another component of GAC is the development of a sense of moral responsibility for correcting global and structural injustice. By focusing on these and other features, GAC will be able to seek a kind of global redemption, necessary for the reparation of past economic activities that had little regard for justice and fairness and important for the future preservation of humanity.

CHAPTER THREE

BUSINESS ETHICS EDUCATION

Die Philosophen haben die Welt nur verschieden interpretiert; es kommt aber darauf an, sie zu verändern.

Karl Marx¹

Introduction

What do we really mean by the expression “business ethics”? Is the term “business” limited to those activities that are designed or intended to make money, or a profit?²

These are two of the questions presented by George Devine in his book, *Responses to 101 Questions on Business Ethics*. These two questions are of significant importance in the literature of business ethics; in fact, almost the entire genre engages directly or indirectly in these debates.

Business ethics began to be systematized at the start of the twentieth century. McHugh notes that between 1900 and 1920, the “moralist admonished the shady trader to mend his ways; voters called for legislation to improve the working conditions of women and children,” worker compensation issues became relevant, as did “truth in advertising,” the Better Business Bureau was established, and the

¹Karl Marx’s Theses on Feuerbach 1845. Translation: *The philosophers have only interpreted the world, in various ways; the point is to change it.*

²Devine, 1.

first courses in business ethics were offered in universities.³ I opened this chapter with two questions in order to frame a comparison within the business ethics literature. I classify this literature as either “practical” or “philosophical.”

Taking these literary classifications as a frame of reference, I intend to compare and contrast two basic claims. First, I will analyze portions of a selected group of books in the field that engage Devine’s questions about business ethics, its definition, and some of the basic ideas about the relationship between profit and ethics. Second, I will address the historical evolution of the discipline of business ethics and how it has neglected to address social issues such as poverty from a preventive stance. This review will reveal that the business ethics literature lacks a social justice perspective and thus neglects to provide a coherent response to the idea of global age cosmopolitan (GAC) that was presented in Chapter Two.

The review of the philosophical literature will be dedicated to relevant social issues that have been addressed by business practices and the business ethics literature, especially during the past century. The review of practical literature will be undertaken from the perspective of the practitioner (an employee or businessman) and will demonstrate that the business ethics literature has been lax in the sense that it mostly addresses specific managerial problems and personal ethics within the business environment.

³Francis P. McHugh, *Keyguide to Information Sources in Business Ethics* (London: Mansell Publishing 1988). Here McHugh uses the term “systematizing business ethics” and exemplifies the start of business ethics as a field of study for social relevance.

Business Ethics Literature

In the *Blackwell Encyclopedic Dictionary of Business Ethics*, the entry for the term “business ethics” opens by stating that, “The study of ethics is the study of human action and its moral adequacy.” It is a branch of applied philosophy that considers the idea of what are, and what ought to be, good business practices. The text proceeds to specify that business ethics is, then, “the study of business action—individual and corporate—with special attention to its moral adequacy.”⁴ It is an applied ethical field that addresses activities in commerce.

A basic search of “business ethics” on the electronic commerce website www.amazon.com provides over nineteen thousand texts that include the term as a title or subtitle. The Loyola University Chicago library has over four hundred titles related to the field of business ethics. Most business ethics books strive from the very beginning to define the topic as an applied social practice. This is important because the practice of business deals specifically with the activity of monetary profits, which in itself triggers ethical concerns from several different cultural perspectives. It also creates the two different literary currents most easily described in the literature: the practical and the philosophical. The practical perspective in the literature engages more with the individual, such as issues of personal responsibility, liability, or direct impact. In contrast, the philosophical

⁴Kenneth E. Goodpaster, “Business Ethics,” in *The Blackwell Encyclopedic Dictionary of Business Ethics*, edited by Patricia H. Werhane and R. Edward Freeman (Malden: Blackwell Publishers, Inc., 1997).

aspects and issues analyzed in the literature tend to engage in the discussion of the collective moral impacts of business practices. This dichotomy became clear as I reviewed the business ethics literature commonly used in business schools and humanities departments, and more specifically in the introduction of these texts.

Philosophical Business Ethics Literature

Given that the business ethics literature is quite ample, I intend to use Richard DeGeorge's 2005 paper, delivered at *The Accountable Corporation Conference* in Santa Clara University, and McHugh's *Keyguide to Information Sources in Business Ethics* as references for the most common philosophical approaches and issues studied in the literature. I will take some of the points mentioned by both authors, and then proceed to illustrate them with examples taken from some of the better-known authors in the field of business ethics.

DeGeorge and McHugh are both prolific authors in the field and their works present a careful description of the development of business ethics as an academic discipline. Furthermore, the two authors exemplify key philosophical ideals that have influenced and shaped the field as we know it today. Among these, social responsibility and justice are perhaps the most frequently addressed issues.

Social Responsibility

Ethical Issues in Business: A Philosophical Approach by Thomas Donaldson and Patricia Werhane, first appeared in 1979.⁵ It was one of the first titles in the field to present a strong philosophical content. The authors tried to interpret the concept of business ethics via an historical-philosophical evaluation, using a compilation of writings from different social perspectives. This title and a great majority of others approach social responsibility from the ethical and philosophical analysis presented by Milton Friedman in his 1970 *New York Times* article, "The Social Responsibility of Business is to Increase its Profits."

In the business ethics literature, Friedman has come to represent the twentieth century interpretation of the liberal philosophical school of thought—a perspective that defends the profit seeking mechanisms of the business community. Friedman utilizes Adam Smith's work to advocate the laissez-faire practices that he believes are necessary for ethical outcomes to flourish in the corporate world. Friedman makes a remarkable distinction with his question, "What does it mean to say that 'business' has responsibilities?" and his answer is, "Only people can have responsibilities."⁶ This dichotomy has continued to serve as a key concept in the philosophical business ethics literature.

⁵Thomas Donaldson and Patricia Werhane, *Ethical Issues in Business: A Philosophical Approach* (New Jersey: Prentice Hall Press, 2008). This is now the 8th edition of the book.

⁶Milton Friedman; "The Social Responsibility of Business is to Increase its Profits," *New York Times Magazine*, September 13, 1970. Retrieved on June 2, 2008 from: <http://www.colorado.edu/studentgroups/libertarians/issues/friedman-soc-resp-business.html>.

Most business ethics literature addresses social responsibility under a rubric such as “Ethics in Corporations.” Given the great influence of Friedman, this section generally includes writings that deal with the individual and his or her liability for decision-making. I interpret DeGeorge’s analysis as quite assertive, as he refers to Adam Smith’s intellectual development of John Locke’s idea of labor and his insistence of presenting it as a theory of value. I defend this point, because this basic theory of labor has allowed for the autonomy that is imperative in the development of business practices during global age cosmopolitanism.

“In modern times,” DeGeorge claims, “commentators have interpreted him [Smith] as a defender of laissez-faire economics, and put great emphasis on his idea of the invisible hand.”⁷ Certainly the philosophical foundation of social responsibility in the business ethics literature is one in which liberty and autonomy are the instruments with which to achieve success. However, the philosophical literature also flirts with an alternative but realistic outcome, failure. Failure is a potential outcome because the main force struggling against liberty and autonomy in a profit-based practice is that very human element, greed.

Ethical Theory and Business by Tom Beauchamp and Norman Bowie was published in 1977. McHugh claims that when this book first came out “business ethics had received little attention by philosophers,” and business schools

⁷Richard DeGeorge, “A History of Business Ethics,” paper delivered at The Accountable Corporation, the third biennial global business conference sponsored by the Markkula Center for Applied Ethics at Santa Clara University, 2005.

considered the field to be of little importance.⁸ Clearly, this text and that by Donaldson and Werhane pioneered the implementation of theoretical thought in the business ethics field. DeGeorge mentions that during the 1970s “philosophy added a theoretical framework to the area that had been previously lacking,” thus designating Beauchamp and Bowie’s book a significant source in the literature.

Although Beauchamp and Bowie also approach social responsibility from a Friedmenian perspective, a section on the differences between stockholder management and stakeholder management is included in their book. Articles by Goodpaster and Boatright engage in the analysis of social responsibility from each perspective. Goodpaster mentions that the concept of the stakeholder, first proposed by professor R. Edward Freeman, “appears to have been invented in the early sixties as a deliberate play on the word ‘stockholder’ to signify that there are other parties having a ‘stake’ in the decision making of the modern publicly held corporation,”⁹ therefore amplifying the social responsibility circuit into a more heterogeneous approach.

The philosophical insight of the stakeholder theory was to root responsibility in the hands of the local, a characteristic that is shared by the global age cosmopolitan. Boatright, on the other hand, includes the term “fiduciary” to specify

⁸Ibid., 3. McHugh, 12.

⁹Kenneth E. Goodpaster, “Business Ethics and Stakeholder Analysis,” in *Ethical Theory in Business*, edited by Tom L. Beauchamp and Norman E. Bowie (New Jersey: Prentice Hall Press, 2001). This is now the 6th edition.

the common practice of entrusting great responsibility to an individual or group of individuals for the specific purpose of profiting. According to Boatright, the legal owners' "main fiduciary duty is to operate the corporation in the interests of the shareholders."¹⁰ A division of interest is well-established among the shareholders and the stakeholders, giving the first group a prioritizing place in the determination and achievement of social outcomes.

The social responsibility debate in the philosophical business ethics literature does for the most part remain rooted in this liberal tradition. It has strived towards the ideal of shared responsibility and it encourages the finding of common ground between shareholders and stakeholders. However, this balancing act can produce severe difficulties due not only to greed, but also because it sidesteps the question of whether business should be solely restricted to the creation of profits. Furthermore, the philosophical approach in the business ethics literature has endorsed a docile economic justice approach throughout its history.

However, I believe that the social responsibility debate—among the laissez-faire approaches, and between the stockholder versus stakeholder theories in the social responsibility realm—addresses a process that has been irreparably fractured by its profit-seeking nature. In other words, so long as we refer to the established social responsibility literature of business ethics, we will continue to lead business

¹⁰John R. Boatright, "Fiduciary Duties and the Shareholder-Management Relation: Or, What's So Special About Shareholders?," in *Ethical Theory in Business*, edited by Tom L. Beauchamp and Norman E. Bowie (New Jersey: Prentice Hall Press, 2001). This is now the 6th edition.

students to a system, which is primarily based in and oriented towards economic solutions. In all such cases, a given solution economically favors or hurts the stakeholder more than the stockholder.

Even so, scholars in the field have been aware of the legislative and political aspects of social responsibility and of the fact that most corporations have chosen to present themselves as socially responsible. As DeGeorge states, “the language of social responsibility rather than explicitly ethical language is still probably the most commonly used”¹¹ in order for corporations to get away with a self-imposed measuring system of ethical behavior. It is likewise true that there has been significant influence or pressure from society regarding business ethics, and many corporations have adopted external monitoring. What role has the business ethics literature played in the decision making process of corporations? Is the literature used in business schools and in academia in general generating an awareness of the ethical? Or is it fair to say that the literature itself has addressed only the interpretative side of unethical corporate behavior, simply taking sides on what would be or not be socially responsible? I believe that the philosophical business ethics literature has tended toward the latter, and that this problem derives from the nature of the field: the dichotomy between profit and ethics and the unending struggle to combine both.

¹¹Ibid., 7. DeGeorge.

Ethics and Corporate Social Responsibility

In *Ethics and Corporate Social Responsibility*, Ronald R. Sims presents a pragmatic philosophical approach to the social responsibility discussion. Chapter Three of the book is entitled “Understanding Corporate Citizenship: Social Responsibility, Responsiveness, and Performance.” It begins with this claim:

The History of U.S. business is riddled with sordid tales of magnates who went to any length in their quest for success, in the process destroying not only the country’s natural resources and the public’s trust but also the hopes and dreams of millions of people.¹²

The resources and the trust that the author claims to have been destroyed are the price that some in American society have, for the purpose of generating profits, cost others. The author encourages the stakeholder to take social action in order to remedy this situation. He presents a list of the people who should be involved in ethics decisions, drawing from the different roles in which you and I can or already do participate in society: shareholders, employees, customers, creditors, suppliers, unions, competitors, governments, local communities, and the general public.¹³ We can ask, Who does this list omit? The answer is nobody. The approach Sims outlines ought to allow every individual in society who participates in a specific role to expect to enjoy a socially responsible environment.

¹²Ronald R. Sims, *Ethics and Corporate Social Responsibility: Why Giants Fall* (Westport: Praeger Publishers, 2003).

¹³*Ibid.*, 40-41.

Corporate Social Responsibility and the Bottom Line

Business ethics literature has approached competing philosophical arguments by recognizing that the corporation does “play a significant role in society” and in the “lives of people” now more than ever before.¹⁴ However, several business ethics scholars have widened the scope of the analysis. Nicholas Capaldi identifies “four main sources” in the business ethics of social responsibility: the philosophical, legal, political, and geo-political. However important all four aspects are for the understanding of the concept of social responsibility, our interest now concentrates on the philosophical. Capaldi asserts about the philosophical tradition about social responsibility:

Many modern philosophers, beginning with Machiavelli and specially Hobbes, Locke, and the subsequent Anglo-American tradition, reject the classical and medieval notions of a collective social good.¹⁵

This is why I state that the nature of business and profit possesses the root of the problem, and why business ethics literature therefore struggles to achieve a realistic ethical outcome.

In the philosophical literature, as mentioned before, several tools have been utilized by business ethicists. Capaldi, although not the first, does include the term “compassion” in the social responsibility discussion. He divides the “compassionate

¹⁴Ibid., 3. McHugh, 13. Citing Kenneth E. Goodpaster’s course outline at Harvard Business School, ‘Ethical aspects of corporate policy.’

¹⁵Nicholas Capaldi, “Corporate Social Responsibility and the Bottom Line,” *International Journal of Social Economics* 32, no. 5 (2005).

approach” amongst libertarians and communitarians. The libertarian achieves liberty thru free will, autonomy, and the strong protection of personal rights. The communitarian seeks the same outcomes by relying on social good as defined by society, distributive justice that seeks fairness and strong legislation that promotes equality.

The realization of corporate activity in society varies: the libertarian is seeking profits based on consumption with little regard for anything else, while the communitarian concentrates more on the relations of production and the distribution factor of profit.¹⁶ It is not my intent to engage in the debate amongst these two common approaches to the achievement of social justice. It is, however, my intention to point out that neither of currents of thought in the business ethics literature can appeal completely to GAC and the business practitioners described in the previous chapter.

Justice: Philosophical Approaches in Business Ethics Literature

Initial discussions of business ethics introduced students to two of the basic techniques of moral argumentation, that used by utilitarians (who hold that an action is right if it produces the greatest amount of good for the greatest number of people), and that used by deontologists (who claim that duty, justice and rights are not reducible to considerations of utility). Other approaches were soon introduced including natural law, virtue ethics (based on Aristotle), and the ethics of caring (often associated with a feminist approach to ethics).¹⁷

¹⁶Ibid.

¹⁷Ibid., 7. DeGeorge.

DeGeorge utilizes the terms *right, good, duty, justice, law* and *virtue*, in describing the basic arguments within the business ethics literature, and more specifically as descriptors for methods to define and achieve a just outcome for individuals who engage in business. Why is it that all these concepts have to be utilized in discussions of justice qua business ethics? McHugh declares the following about the dilemma:

But when it comes to applying general theories of morality and principles of justice to the particularities of business, contemporary authors soon run up against the problem of making ethical judgments about individual acts....¹⁸

These statements illustrate that the philosophical business ethics literature has had to decipher the pursuit of justice by placing the action of the individual first and foremost; only after this can the business outcome may be determined to be ethical or just. Even in ancient Greek society, the concept of justice framed whether or not actions taken amongst autonomous individuals would be values as exemplary. In Book I of the *Republic*, Polemarchus suggests that Justice is “giving to each what is owed,” meaning that a rational process should take place in order to decide what is for whom. More profound is Thrasymachus’s claim that justice is nothing more than the will of the strong and powerful. These two perspectives—the giving to each what is owed versus the determination of justice based on power—entail some of the greatest ethical dilemmas in the field of business ethics. In either

¹⁸Ibid.

case, the literature engages the individual as an autonomous being capable of reason, and thus capable of understanding right from wrong.

In reviewing business ethics literature, I have detected a degree of uniformity within the teaching of individual ethical reasoning. For instance, it is quite common to witness the use of Aristotle, Immanuel Kant, and John Stuart Mill to represent the classical approaches to the good. It is also common to read ethical theories of justice that engage mostly with contemporary philosophers, and which work to exemplify a modernized version of Mill's utilitarian theory. Several examples serve to illustrate these trends.

In *Ethics and Excellence: Cooperation and Integrity in Business*, author Robert Solomon uses (for the most part) an Aristotelian virtue approach to interpret justice as a viable outcome. He includes an entire section, composed of seven subsections, dedicated to Aristotelian thought. For Aristotle, justice is a virtue, a trait of character that must be reached; it is not a state of being. According to Solomon, the Aristotelian virtue approach to achieving social justice is the best challenge to the demands of a corporate world where the "cost-cutting, the down-sizing, the strategic bankruptcies and restructurings, the mergers and the take-overs" are some of the conflicts (or business solutions) that the present corporate entities have

created.¹⁹ Solomon assigns the *integrity* of the individual as quest for *virtues* throughout the chapters.

The business ethics literature approaches justice in a way that promotes duality, and even divergence, between theory and practice. We can come to understand a metaphysical concept of justice, of what “ought to be”; however, actual business practices are what eventually come to define society, whether just or unjust. To circumvent this problem, business needs to follow what Capaldi called (T/P), to exemplify the idea that “practice ought to follow theory.”²⁰ Yet as noted above, business ethics literature has been almost constantly forced to engage in an interpretative sequence of events rather than engaging in preventive analyses in which the actual ethical theory could imply or even suggest significant philosophical changes in business practices.

Many other titles in the business ethics literature have considered virtue ethics to be a relevant ethical approach. They follow Aristotle’s suggestion that a process of maturation in the individual leads to an eventual recognition and practice of virtue, from which justice can then be achieved. This model of ethics in business allows for the practice to precede the theory, a reversal of Capaldi’s (T/P) suggestion.

¹⁹Robert C. Solomon, *Ethics and Excellence: Cooperation and Integrity in Business* (New York: Oxford University Press, 1992).

²⁰Nicolas Capaldi, “What Philosophy Can and Cannot Contribute to Business Ethics,” *The Journal of Private Enterprise* 21, no. 2 (2006).

The Kantian model for philosophical business ethics literature serves as a central established framework that defines parameters for the basic rule of duty, or as Kant called it, the categorical imperative. In the *Groundwork of the Metaphysics of Morals*, Kant states: “Act only according to that maxim whereby you can at the same time will that it should become a universal law.”²¹ It is important to know that according to Kant morality is commanded by reason in the individual, which then allows the thinking being to determine his duties and obligations in order to create justice.

The Kantian Perspective in Business Ethics Literature

Business Ethics: A Kantian Perspective, by Norman Bowie, analyzes Kant’s “three formulations of the categorical imperative” to address the question, “how would business firm in a capitalist economy be structured and managed?”²² in accordance with Kant’s ethical theory. When Bowie refers to the three Kantian formulations, he is basically narrowing the idea of the categorical imperative to include only permissibility in market interactions, moral obligation in market interactions, and moral community formulation (for moral business organization),²³ so that he can provide a foundation for a moral business organization.

²¹Immanuel Kant, *Groundwork of the Metaphysics of Moral* (United Kingdom: Cambridge University Press, 1998).

²²Norman E. Bowie, *Business Ethics: A Kantian Perspective* (Malden: Blackwell Publishers, 1999).

²³Ibid.

Immanuel Kant provides common sense ideas about morality to the literature of ethics, both business-oriented and otherwise. However, despite the vast business ethics literature, only Bowie's book engages extensively in Kantian considerations of business practice. Nonetheless, Bowie clearly states throughout the book that even though Kant's philosophy is rigorous, the bottom line for business is still profitability. Business ethics will constantly have to engage in the profit versus morality debate; and even though business ethics literature strives to scaffold coherent arguments about the good, the profit factor will undoubtedly continue to taint the achievement of global age cosmopolitan ideals.

As I have mentioned before, this dissertation is organized around the idea of a global age cosmopolitan business ethic. I have argued that the philosophical business ethics literature has neglected to address ethical theories in business from a preventive critical stance, a factor contributing to the lack of cosmopolitan understanding in the part of the business ethics learners in business schools in general. Even though, Immanuel Kant's idea of the cosmopolitanism is what initially inspired the idea of business ethics and global age cosmopolitanism. I do state in the previous chapter that Kantian cosmopolitanism is clearly a precursor to contemporary ideas of globalization. However, I conclude that Kant lacked the ability to achieve a truly globalized cosmopolitanism. Kant neglected to directly engage with the kinds of practical economic issues and events that are relevant in modern global business practices today.

Bowie entitled the last section of his book “The cosmopolitan perspective.” There he adheres to Kant’s ideal of perpetual peace, where we as global citizens will realize that ‘we are all one human family.’²⁴ This definitely shares common ground with the global age cosmopolitanism business ethics that I explain in the next chapter.

Several other important titles in the philosophical business ethics literature include discussions of Kant. In Manuel Velasquez’s *Business Ethics: Concepts and Cases*, the author points to the Kantian moral theory as having limitations and inadequacies for business practice.²⁵ He feels that Kant’s inflexibility regarding duty is a major fault within the culture of business practice. This argument is another commonality in the business ethics literature that I have reviewed.

In Kevin Gibson’s *Business Ethics: People, Profits, and the Planet*, Kant’s *Ethics of Duty* is cited in discussions of a “movement in business ethics called Kantian capitalism,”²⁶ a form of capitalism based on the idea of a respect for human worth (as presented by Kant in his categorical imperative). Gibson points out that this means, “that a business has to treat its workers not just as human capital but by

²⁴Ibid., 166. Here Bowie is quoting Kant.

²⁵Manuel G. Velasquez, *Business Ethics: Concepts and Cases* (New Jersey: Prentice Hall Press, 2005). This is now the 6th edition of the book.

²⁶Kevin Gibson, *Business Ethics: People, Profits and the Planet* (New York: McGraw-Hill, 2006).

reference to the golden rule,”²⁷ comparing God’s principle to that of Kant’s imperative.

The Utilitarian Perspective in Business Ethics Literature

In Boatright’s *Ethics and the Conduct of Business*, Chapter Two “Welfare, Rights and Justice,” utilizes the utilitarian philosophical theory for “its ability to account for the concepts of duty (or obligation), rights, and justice.”²⁸ Utilitarianism is probably the most popular philosophical theory published in the business ethics literature, as I have mentioned before. It is used explicitly in the philosophical business ethics literature and more indirectly in what I refer to as the practical business ethics literature. It is of common use because it allows authors a way to map justice into business practices. Let us consider the question, Are more profits a better form propagating happiness amongst society? A utilitarian equation has the possibility of placing profit over the individual, if one can determine that that profit will in some form benefit more individuals, either immediately or in the future. Boatright, like most other business ethics academicians, places an emphasis on utilitarianism being a consequentially-based moral theory. In Chapter Two of *Utilitarianism*, John Stuart Mill states:

The creed which accepts as the foundation of morals, Utility, or the Greatest Happiness Principle, holds that actions are right in proportion as they tend to promote happiness, wrong as they tend to

²⁷Ibid.

²⁸John R. Boatright, *Ethics and the Conduct of Business* (New Jersey: Prentice Hall Press, 2007). This is now the 5th edition of the book.

produce the reverse of happiness. By happiness is intended pleasure, and the absence of pain; by unhappiness, pain, and the privation of pleasure.²⁹

It is clear of how the principal of utilitarianism has allowed business ethics literature to interpret business actions as ethical strictly by considering them as they affect a majority of people through this “pleasure principle,” which is later defined as profit. However, it cannot be fair to assume that utilitarianism has been responsible for pushing the business ethics literature to suggest that ill-business actions are ethical.

Boatright describes four forms of utilitarianism, which together are considered by some to exemplify classical utilitarianism. As a premise he states the following: “An action is right if and only if it produces the greatest balance of pleasure over pain for everyone.”³⁰ Additionally, four sub-premises complement this principle: *consequentialism*, *hedonism*, *maximalism* and *universalism*. Business ethics as an established practice uses these principles because they allow for the basic interpretation of cost-benefit equations, including those with a social component.

This limitation does not mean that utilitarianism is wrong; however, it does specify directly that there will be winners and that there will be losers in the game

²⁹John Stuart Mill, *Utilitarianism*, 2nd edition (Indianapolis: Hackett Publishing Company, 2001).

³⁰Ibid., 28. Boatright is quoting John Stuart Mill’s *Utilitarianism*.

(as I have pointed out in Chapter Two of this dissertation). Only then will it be able to provide room for realistic discussions that can provide substantial intellectual and practical solutions that address the problem of poverty.

In reference to the future of business ethics as an academic field, Richard DeGeorge states that “both globalization and the march into the Information Age are changing the way business is done and the ethical issues businesses face.”³¹ The philosophical approach to business ethics, as a discipline, needs renovation because business practices, conditions, views, and circumstances are also being reworked. Global age cosmopolitanism needs to harness the business ethics literature in order to address more of the globally shared problems and to widen the field of business ethics.

The literature discussed in this chapter highlights the point of contrast between philosophical business ethics literature as it currently exists, and what I intend to determine should be the new issues that critical business ethics literature should engage with in order to achieve the global age cosmopolitan ideal.

Practical Business Literature

Business ethics are by their very nature applied, and as such can promote good actions among every participant. Many of the titles I review in this section agree on practical business approaches, such as the creation of codes of ethics or corporate ethic statements. Richard DeGeorge refers to these as “ethics in business

³¹Ibid., 7. DeGeorge.

sense' of business ethics"—the every day ground rules that should be followed closely (he compares them to the Ten Commandments).³² Codes of conduct are a somewhat more loosely followed set of tenets that tend to generalize behavior or attitudes that participants should share.

Business ethics as a field of study and theory has had to evolve with the business practice. Historical events, and especially those of the past century, have created important social movements in which business attitudes and practices had to accommodate to new laws and regulatory regimes. Issues addressed by such movements include race and gender discrimination, equal salary adjustments, privacy acts, health and safety, sexual harassment, affirmative action, unjust dismissal, and whistle blowing, among others.

Prevention and Correction in Business Ethics

Applied business ethics concern the individual employee. Thus much of the literature in this genre concerns itself with discussions of practical ethical recommendations and rules. Examples include titles like, *Eighty Exemplary Ethics Statements*, *The Business Ethics Activity Book*, and *Practical Business Ethics for the Busy Manager*,³³ which focus primarily on psychological traits and purport to develop a specific applied ethical behavior that is desired from the individual. However, as I noted above, business ethics has neglected to deal with social issues

³²Ibid.

³³The titles mentioned here are used to exemplify some of the vocabulary that is use in specific titles and serve the purpose for the classification of practical business ethics in the section.

and social change from a preventive stance. The emphasis on corrective measures is illustrated in *A Pragmatic Approach to Business Ethics*, which states the following in the introductory chapter: “The trouble with pragmatists is that they will get in bed with anyone.”³⁴ Here the author, Alex Michalos, shows the genre’s tendency to approach ethical matters in a simplistic manner. Although even tough, serious, pragmatic philosophers would have a hard time agreeing with his conclusion, I would argue that they would find it rather difficult to disagree with the practical literature’s tendency to over-simplify examples and conclusions.

Furthermore, business ethics literature has been almost constantly forced to engage in interpretative and corrective approaches to a sequence of events rather than occupying its attention in preventive analyses. These preventive analyses, which I refer to, would encourage the ethical theory to suggest significant philosophical changes in business practices. For the most part the corrective literature approach reflects a strong Western perspective in which the rights of the individual are much more important than those of a community.

This simplicity of corrective approaches can be attributed to the need for rapid and effective methods within the business world. Historically, business practices have been reactive, addressing malpractices such as fraud, abuse, and corruption, only after media attention or legal threats. Both situations pose a menace for corporate profits. Although a variety of proactive alternatives exist, one

³⁴Alex C. Michalos, *A Pragmatic Approach to Business Ethics* (London: Sage Publications, 1995).

of the few that is discussed in the practical literature is whistle blowing. In either case, one might ask, are these actions ethical because they imply a duty for the individual? Does this remain the case regardless of the economical consequences for the same individual or others involved? How would whistleblowing as an ethical practice function without the appropriate laws that protects the whistle blower? Without these laws, would whistle blowing be still considered ethical?

Contemporary Ethical Issues in Business Ethics

These interrogations link to the very first question presented in the chapter: What do we really mean by the expression “business ethics”? In their book, *Contemporary Ethical Issues*, John Dienhart and Jordan Curnutt talk about the common accusation of the late 1970s that the phrase “business ethics” was an oxymoron. They separate the phrase into its constituent components and note that “business is concerned with promoting self-interest” while “ethics is concerned with promoting the interest of others.”³⁵ Ken Smith and Phil Johnson reflect a somewhat similar perspective in their book, *Business Ethics and Business Behavior*, noting the “hilarity at the naivety of the misnomer”³⁶ of the term business ethics.

One of the problems with defining business as ethical (from a philosophical perspective) is that the business practitioner displays behavior patterns that cannot

³⁵John W. Dienhart and Jordan Curnutt, *Contemporary Ethical Issues: Business Ethics: A Reference Handbook* (Santa Barbara: ABC-CLIO, INC., 1998).

³⁶Ken Smith and Phil Johnson, *Business Ethics and Business Behavior* (Boston: International Thomson Business Press, 1996).

be determined to be ethical per se. This shortcoming limits the practical business ethics literature and in turn allows for business practitioners to engage in a dialectic of ethical relativism—practitioners encounter very little theoretical analysis in the literature, and that which they do read is for the most part considered impractical to apply to real-world situations.

Alex Michalos constructs a plausible counter-argument to this perspective:

1. In order for business or a market economy to exist, there must be some sort of community of potential buyers and sellers.
2. In order for a community of potential buyers and sellers to exist, there must be morality. Thus, in order for business or a market economy to exist, there must be morality.
3. Anyone with an interest in preserving business or a market economy should help maintain those conditions, like morality, that are necessary for its preservation.
4. Businesspeople have such an interest. Therefore, businesspeople should help maintain those conditions that are necessary for the preservation of business, including morality.³⁷

In this argument, every individual is seen as a “potential buyer and seller.” If we assume that the condition of being human is inherent to the argument, then perhaps the economic agenda for a GAC would be to identify opportunities that can provide

³⁷Ibid., 34. Michalos, 50.

resources for the human beings who have yet to become “potential buyers and sellers.”

The practical business ethics literature is clearly concerned with daily practices in the business world. It has for the most part traced the ethical dilemmas of the business world through a path of social and economical “ifs” that ultimately establish the conditions for determining what is ethical. As a lawfully protected practice, whistleblowing has become one of the most important “ifs” through which people denounce ethical malpractice. The next section traces the historical development of whistleblowing in order to illustrate how business literature could find a new approach to ethics.

Whistleblowing

In the United States, government employees who report malfeasance are protected by the Whistleblower Protection Act of 1989. The Act is enforced by the U.S. Office of Special Counsel (OSC) and defines a whistleblower as a person who contacts the OSC when he or she reasonably believes to have evidence of the

...violation of any law, rule or regulation; gross mismanagement; gross waste of funds; abuse of authority; substantial and specific danger to the public health and substantial and specific danger to public safety.³⁸

Although the Special Counsel’s office only has a specific jurisdiction over former, current, and future federal employees, the protection of government whistleblowers

³⁸U.S. Office of Special Council, “Whistleblowing,” *Whistleblower Disclosures*. Retrieved July 8, 2008 from: <http://www.osc.gov/wbdisc.htm#overview> and <http://www.osc.gov/documents/pubs/postwb.htm>.

represents an achievement for business ethics literature and marks its influence over legislation. My intention behind this example is to illustrate how business ethics literature can define the scope of ethical actions and to calculus on which they are to be based upon. This is not a victory for business ethics per se. However, given that some lawful protection is provided for government employees after denouncing, it serves as an example for how the public good ought to be promoted.

Between 1980 and 1983, the Harvard Business School developed the case study approach to teaching. The business ethics literature soon adopted this approach so that it could analyze the past behavior of individuals, their decisions, and related outcomes. The Ethics Resource Center in Washington, D.C., created a case study resource list of one hundred and twenty-three entries, the topics of which include whistleblowing.³⁹ The case study method has been a significant teaching tool for whistleblowing because it illuminates the commonalities among individual reporters and promotes whistleblowers' successes, thereby encouraging other individuals to denounce unethical behavior.

Whistleblowing is one of the most difficult issues in business ethics practices because it generally involves the denunciation of an individual or a group of individuals who are well known to the denouncer. This situation can create an ethical dilemma for the denouncer because the process of accusation is viewed as a trespassing of loyalty and trust that will almost certainly cause a rupture in the

³⁹Ibid., 3. McHugh, 15.

relationship. According to Terance Miethe, author of *Whistleblowing at Work*, terms such as “snitches, ‘squealers, ‘rats, ‘moles, ‘finks, ‘stools, ‘blabbermouths, ‘tattletales, ‘...” and others reflect the typically negative feelings shared by many towards those who report malfeasance.⁴⁰ Certainly such terms imply a coarseness of feeling among the general public that has an inevitable impact on an individual reporter’s personal and professional life.

The analysis of such phenomena, however, is best left to those in other professions. Instead, the focus here is to develop an understanding of the ways that practical business ethics literature has engaged with whistleblowing. What are the most common philosophical approaches to the topic? Technical definitions such as the one presented by Near and Miceli state that whistleblowing is the “disclosure by organization members (former or current) of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action.” Their definition goes on to specify that the whistleblower “lacks the power and authority to make the change being sought” and so “must appeal to someone of greater power or authority.”⁴¹

A single example illustrates one of the problems with the literature. In Marlene Caroselli’s *Business Ethics Activity Book*, there is an activity entitled

⁴⁰Terance D. Miethe, *Whistleblowing at Work: Tough Choices in Exposing Fraud, Waste, and Abuse on the Job* (Boulder: Westview Press, 1999).

⁴¹Janet P. Near and Marcia P. Miceli, *Blowing the Whistle: The Organizational and Legal Implications for Companies and Employees* (New York: Lexington Books Macmillan, 1992).

“Whistleblown in the Wind.” It is a twenty minute exercise that is “based on real-world situations” and in which the participants will eventually discuss their course of action with a partner.⁴² This basic activity purports to involve the revelation of ethics violations and both a legal and a “moral, and/or ethical”⁴³ discussion of said violations. However, while the text includes brief descriptions of “laws to protect” the whistleblowers, there is in fact no framework for the ethical discussion. In this type of exercise, the ethical component of the learning process is essentially nil. In other words, rather than educating business students on the ethics of whistleblowing, the literature revolves almost exclusively around the consequences suffered by those involved. It generally posits that denouncers will face social, if not financial, recrimination, and that the stock and stakeholders of a corporation will suffer disastrous damage to their economic bottom lines and reputations.

Why is there so little regard for an ethical theory of whistleblowing? Perhaps because whistleblowing is generally interpreted as an action intended to benefit the greater public. In attempting to understand the whistleblower’s rationale, C. Fred Alford introduces the concept of an individual exhibiting “narcissism moralized.” He posits that the whistleblower is willing to endure social judgment and repercussions for him- or herself and the ones around him or her due to a desire to strive for

⁴²Marlene Caroselli, *The Business Ethics Activity Book: 50 Exercises for Promoting Integrity at Work* (New York: HRD Press, 2003).

⁴³Ibid.

wholesomeness, good, purity and perfection.⁴⁴ Would this “narcissism moralized” be an opening to an ontological approach to ethics? If we agree that it is the moral duty of the whistleblower to denunciate, then the moral question for business practices would be to identify what constitutes the greatest good. Is it the good of the stockholders, the stakeholders, the professional future of the denouncer, or of some other entity or outcome? Given the conflicts of interest inherent in these categories, can the business practices structure handle a whistleblowing case strictly on the bases of ethical theory?

DeGeorge reminds us that we can identify a pattern in the approach taken by business ethicists that not only adds arguments, but strives to demonstrate “common sense judgment” that is “indeed correct.” However, “what about the tools by which the morality of new issues could be intelligently debated”?⁴⁵ Within GAC perhaps the approach for whistleblowing would entail a broader global vision where the individual not only contemplates the possible consequences for the immediate stakeholders, but the implications for the global business practices structure and humanity as a whole.

The practical business ethics literature reflects a Western perspective in which the rights of the individual are valued more than those of society as a whole. The business ethics literature on whistleblowing emphasizes the presence of a legal

⁴⁴C. Fred Alford, *Whistleblowers: Broken Lives and Organizational Power* (Ithaca: Cornell University Press, 2001).

⁴⁵Ibid., 7. DeGeorge.

platform or safety-net that, by protecting the individual, encourages the denouncer to engage in ethical practices: the denouncer is “safe” in reporting another individual or a group of individuals. Should global age cosmopolitanism propagate this Western emphasis on the individual? If we are to understand global age cosmopolitanism as a global ethic, the Westernization of such practical issues as whistleblowing will have to be modified to reflect a global justice that is inclusive of periphery countries and populations.

Conclusion

In order to try and make sense of the philosophical and practical business ethics literature, it was imperative to make a distinction between the social practice of business and the specific implications faced by individual in business practices. The analysis presented at the beginning of the chapter indicates that the philosophical aspect of the business ethics literature is not grounded upon the individual. Instead, the philosophical business literature tends to deal with collective aspects, circumstances, consequences, and impacts. The practical business ethics literature tends to deal with issues by oversimplification and the application of “common sense” approaches to the ethics of the corporate environment.

Most of the books and articles considered in this chapter are key titles in the world of business ethics. Classifying the literature into philosophical and practical genres highlighted specific differences between the two categories and their

theoretical frameworks. I argued that for the most part both genres fail to take issues of global social, economic and environmental justice into account that some business practitioners have endorsed for almost half a century. In fairness, however, the most recent editions of some of the titles reviewed herein have annexed a chapter or a section on the topic of international business ethics. However, “International” taken to foment and explain cultural differences, at some points, even environmentally aware. At no point is there a mention of economic justice in any of these sections or chapters.

One might question whether the business ethics literature, either philosophical or practical, is entitled to separate theories of ethics into “local” and “international” spheres. Interestingly, we can conclude that regardless of whether we answer that question in the affirmative or the negative, the current business ethics literature has neglected to recognize the ethics of a GAC. However, one can also argue as to whether economic justice should be a concern of business ethics at all. The answer would have to be yes. Furthermore, do economic inequalities propagate the lack of ethics in business practices, or vice-versa? This is a new question that neither the practical nor the philosophical business ethics books address; they simply do not connect economic inequalities to the ethical practices of businesses at the local or global scales. It is time we do so.

CHAPTER FOUR
WHAT BUSINESS EDUCATION WILL LEAD PEOPLE TO
GLOBAL AGE COSMOPOLITANISM

Introduction

**Creating a Business Ethics Literature Focused on Poverty Alleviation,
Educators can Strive to Impart a New Ethical Culture and Responsible Global
Business Practices**

What type of business ethics education can promulgate an adequate understanding of global age cosmopolitanism? How do individuals become cosmopolitan or better yet, how do we adopt cosmopolitan dispositions? Throughout my dissertation I have stated in different forms that there is now an interconnection and circulation of peoples, economic exchange, information and environmental issues among others that can propagate a belief in cosmopolitanism.

Previous chapters established that the business ethics literature tends to avoid a preventive stance on social matters, a position taken for the most part because of the intrinsically profit seeking nature of business itself. However, some of the arguments that have been presented in previous chapters nonetheless demonstrate individual practices that are ethical and can become viable under “appropriate”—economically just—conditions.

Although it could be argued that business ethics literature should strictly adhere to an uncompromising ethical context, the results would likely be sophomoric imperatives that smacked of academic hubris. In contrast, global age cosmopolitanism (GAC) is aimed mostly at the propagation of economic justice. Because business practices have the propensity to generate both positive and negative outcomes, a careful review of the social compromises that may underlie GAC is necessary. It is the purpose of this chapter to consider how business ethics educators and curricula should incorporate proactive approaches to economic justice and strive to avoid the reactive nature of past business ethics literature, the primary goal of which has been to repair unethical business behavior.

At a fundamental level business ethics literature needs to voice, interpret, study, and address economic inequality because doing so will prevent the growth of further social disparities and their threats to global business practices. In contrast, the perpetuation of the reactive genre of ethics literature will foster increasing levels of inequality, deterring economic growth in the periphery and the essential safeguards of core countries.

This chapter will propose a form of critical business ethics education that will generate GAC. The chapter will identify the key components of the proposed critical business ethics education and will indicate how these differ from standard business ethics education. I will also demonstrate how the proposed form of business ethics education is tied to GAC.

Problems in the Theoretical Foundations of Business Ethics Literature

In the last chapter I classified the business ethics literature into “philosophical” and “practical” genres. While rather derivative, this classificatory scheme illuminated the two general approaches that have shaped the way the field is studied, particularly in university courses. Both genres tend to take positions of either ethical relativism or a form of idealism too extreme to even be considered in actual application. The literature also tends to draw from historical examples in order to determine the “good” or “bad” traits expected from the business practitioner and the “positive” and “negative” outcomes commonly achieved via particular business practices.

Within the literature, most studies begin with a careful analysis of historical patterns of behavior. Most business ethics authors then proceed to dictate the “oughts” of business behavior. However, as the previous chapter demonstrated, little of the literature engages in the *essence*¹ of ethical behavior in business. That essence, the seeking of profits, demands ethical relativism because the primacy of

¹In using the term *essence* I try to evoke a realistic description of business: that which one might refer to as business ethics in practice. An example would be the cost-benefit analysis used in the classic Ford Pinto case study in business ethics, where a utilitarian account balances the life of an individual against the cost of automotive repair. It is not my intention to debate the good or evil of a business decision or to engage in the related business ethics literature, although I believe the latter greatly influenced legal reforms and social awareness. It is, however, my intent to ask: to what degree can business be and not be ethical? Business practice will adapt to and for many conditions in order to create profits, while profits are in principal believed to establish greater conditions for ethical behavior. For further information about the Ford Pinto Case see: Douglas Birsch and John Fielder, *The Ford Pinto Case: A Study in Applied Ethics, Business and Technology* (New York: SUNY New York University Press, 1994).

profit forces business practices to adapt constantly to social and economic conditions: what is ethical in one situation may or may not be in the next.

One might say that the academic study of business ethics is essentially the interpretation of conjunctions between ethics (qua philosophy) and reality, or of ethical relativism in practice. For business practices and ethics driven by the profit motive, relativism simply cancels out the “oughts” provided by the ethics literature. But this leaves unresolved the question as to what degree business practices can be objectively judged as ethical or unethical.

In contrast to the traditional literature and its “oughts,” a GAC-friendly business ethics would include one or more theories of morality; the incorporation of this branch of philosophy would promote social justice and equality while increasing the occurrence of ethical behavior. As I noted in the previous chapter, notions of morality are already evident in the works of DeGeorge and McHugh, among others. However, the idea of an ethics that fully incorporates theories of morality has not been adequately explored or developed, perhaps because it is perceived as too abstract or academic for those interested in the pursuit of profit. To the contrary, however, the problem addressed by such a business ethics is eminently practical. Considerations of morality would not be used merely to decipher whether an individual or group of individuals engaged in business are more or less inclined to be corrupt, commit fraud, discriminate, or engage in chaotic

economic practices. Instead, the problem addressed by moral philosophy is the nature of business practice itself, of its *essence*.

This requires that we step away from a business predicated primarily on profit making. We can certainly agree that in principle and in practice business is based on the demand and supply of goods, products, or services in order to create marginal profit. Profits are, in principal, sought to establish and create greater opportunities in the social world, such as employment opportunities, economic freedom, appropriate living conditions, and better education. A GAC-friendly business ethics would view these outcomes, rather than profits in and of themselves, as the social conditions that would increase the awareness or desire for the good life and to conduct oneself ethically. However, throughout most of history such outcomes or living conditions have relied upon the distribution of wealth from a marginalized profit, resulting in few social benefits for those who do not own any means of production.

I would like to reinstate yet another business ethics definition. According to the *Stanford Encyclopedia of Philosophy*, business ethics is defined as the “applied ethics discipline that addresses the moral features of commercial activity.”² It is in our interest to understand the relation between ethics or ethical behavior in any activities that involve commercial endeavors. However, we must not assume that

²Alexei Marcoux, “Business Ethics,” *The Stanford Encyclopedia of Philosophy* (Summer 2008 Edition). Accessed May 15, 2008 from: <http://plato.stanford.edu/entries/ethics-business>.

there is an ethics involved in such activities; commercial activities undertaken in order to generate profits need no specific relation to an ethical counterpart. Is it socially required for a company or an individual to be considered ethical in order to produce or consume? Business practices per se have yet to be designed to attend to the demands of ethical, social, and private expectations in addition to profit.

As a discipline, business ethics has sought to incorporate theoretical frameworks of ethics and morals into business practice. It would be inappropriate to judge business ethics literature on the basis of bad business practices or vice versa. However, if business ethicists have not succeeded in their goal, is it not important to understand whether that goal is inherently impossible? Put another way; is it not the *essence* of business practices to be amoral? Given the focus on generating profit margins, many business practices can be simultaneously ethical (as in generating profit) and unethical (as in causing suffering for others). A business ethics for GAC must then engage in the dialectic of global economic inequality without basing its argument strictly on ethics or morality as currently conceived in the literature.

Business practices fundamentally endorse practicality and flexibility in the pursuit of profits. Capaldi states that for business practices, the “explication is a form of practical knowledge and presupposes that practical knowledge is more

fundamental than theoretical knowledge.”³ In other words, practical knowledge should be considered to be the primary teaching element behind business ethics literature.

Key Components of the Proposed Critical Business Ethics Education:

Critical Ethical Analysis for GAC

“There is something in critique which is akin to virtue.”⁴

Two fundamental aspects of critical theory allow business ethics literature to propagate global age cosmopolitan as an ethic to be endorsed in global business practices. The first is the basic social awareness or reflexivity fundamental to critical theory. The idea of social awareness as a preventive is exemplified by the Kantian question of *Aufklärung* (*Enlightenment*), which would provide the heuristic capabilities of the individual. Another example would be the reinvention of a consolidation of effort in business ethics literature, wherein a sense of self-responsibility and a degree of autonomous realization would occur before the initiation of action.

The second is critical theory’s perspective upon the business ethics literature. This would allow the analysis and documentation of in the business ethics literature of the social consequences whether they occur due to an action or a

³Nicolas Capaldi, “What Philosophy Can and Cannot Contribute to Business Ethics,” *The Journal of Private Enterprise* 21, no. 2 (2006).

⁴Michael Foucault, “What is Critique in Rainbow,” in *The Essential Foucault: Selections from Essential Works of Foucault, 1954-1984*, edited by Paul Rabinow and Nikolas Rose (New York: The New Press, 2004).

lack thereof.⁵ If we are to achieve GAC, business ethics literature must research specific topics, such as poverty alleviation, in areas of the world where business practices have been causal. Business ethicists of Global Age Cosmopolitanism also need to design academic studies that address not only ethical relations within particular cultures and locales, but which also produce accurate economic impact information. This would allow business students and practitioners to better engage in the critique and analysis of preventive actions.

For the individual in society, Global Age Cosmopolitanism ought to entail an understanding of right and wrong; this understanding should be based on rational thinking and a critique of traditional business ethics education. Its goal should be to prevent the kinds of economic errors generated by past business practices. While Kantian ethical theory is not focused on particular outcomes, Kant does challenge the individual “to work himself out of the immaturity that has all but become his nature,”⁶ meaning that rational and autonomous behavior can trigger self-realization. A business ethics literature that studies the actions that have generated great economic inequality among nations could also propagate self-awareness and

⁵When I speak of awareness and consequence as being applied to business ethics literature to influence social conscience. I mean to state that since profit in business is the bottom line, ethical behavior in the business practice has great disadvantage. It is therefore my idea to integrate first, awareness for a preventive stage and second, the consequence as a social critique analysis. All of these must be documented in the business ethics literature. These two variables would be used in order to propagate an ethical dialectic conjunction in business ethics literature so that it can inherently habituate the individual in a constant state of equation, where which he or she realizes the possible outcomes of social and global unethical behavior in business practice.

⁶Immanuel Kant, *Practical Philosophy* (New York: Cambridge University Press, 1996). Translated and edited by Mary J. Gregor.

undermine the state of indifference so common among individuals and institutions today. In this light, business practices that are indifferent to global economic equality (and are therefore irresponsible) are analogous to Kant's concept of immaturity.

In critiquing common business practices, the ethics literature that will be generated by GAC will promote the conscientious idea of the self in relation to external social and economic conditions. In other words, critical thinking can lead to virtue. One ramification of combining such an attitude with the many viable approaches discussed in the business ethics literature is to allow the practitioner to consider ethical behavior as an avoidance of negative social consequences. This avoidance in turn creates conditions promoting the economic integrity of the individual regardless of his or her location in a periphery or a core country.

If we create a pattern of critic in the business ethics literature that employs self- and social-awareness and the consequences associated with those consciousnesses, we may also be able to achieve a rational process with which to analyze forthcoming eventualities. This form of analysis is particularly important as regards the reduction of undesirable eventualities, and would emphasize scenarios depicting the range of negative social outcomes that would affect one's self. Individuals who contemplate negative scenarios would be able to design ethically based contingency plans and preventive practices in order to avoid future negative effects, whether in the economic, personal, or global spheres. The business ethics of

GAC need to inform the individual about the link between these negative economic outcomes and the unethical business practices that endorse them.

Ethical Platform for GAC

Is it realistic to argue that invoking negative social outcomes in order to promote preventive behavior is a virtuous practice? This approach is based on the premise that the achievement of ethical behavior will only occur when practitioners understand that negative global consequences will also affect their own personal lives. It is imperative that we pursue this premise, because it is my intention to recapitulate on the idea that a realistic ethical theory in business must be able to promote forms of behavior that can fit Global Age business practices.

Ring of Gyges

In order to exemplify autonomy in the business practitioner and how it can or cannot be endorsed; also to better understand that virtue or vice is based in the attitudes of every individual, one might consider one of Plato's passages on justice, covetousness, and the passions inspired by an interest in monetary and power relations. As Socrates speaks of the power held in the *Ring of Gyges* –

...he came to this conclusion that, by turning the collect inwards, he became invisible, outwards, visible. Having perceived this, he at once managed for himself to become one of the envoys to the king; upon arrival, having seduced his [the king's] wife, with her help, he laid a hand on the king, murdered him and took hold of the leadership.⁷

⁷Plato, *The Republic* (Indianapolis: Hackett Publishing Company, 2004), edited by C.D.C. Reeve.

In this passage Plato, through Socrates, is pretending to illustrate the tendency of human nature to endorse selfishness. From an ethical perspective it is hardly possible to justify homicide as a method for achieving wealth and power; yet Gyges, seeing the opportunity to increase his status through murder, endorsed only his desires and took no regard towards the others. Among humans primal care is almost entirely devoted to our next of kin and those we hold dear, while deeply caring for anyone outside that range of people is quite unusual. Given that we typically provide care only in proportion to our commitment to an individual, are we, as humans, inherently compassionate? One might take either side in this debate, as has been done throughout history. However, what I intend to argue is that profit-driven business practices tend to endorse the accumulation of wealth and power, as was the case in the story of Gyges.

GAC would need to address the importance of the economic interrelations of the individual and the global, and how both are of consequence in global business practices. Ethical business practices in GAC cannot adhere exclusively to the practices of free enterprise and their emphasis on profit. Instead, it must explore the possibility that the ethical is profitable in business practices. There is no denying that ethics could, in fact, become a commodity. However, our interest goes further than the ethics-as-commodities approach per se. As a moral practice in business, is ethics able to endorse economic justice?

It can be said that Gyges went about it the wrong way, once he violated another human being to acquire wealth and power. However, unjust behavior towards another can only bring social devastation. Profitable business practices should endorse enterprises that honor individuals so that there can be advancement in economic justice. Through Gyges, *Glaucon* states that humans tend to better endorse unjust behavior when it comes to achieving personal growth. However, the point of relevance for my discussion of GAC is that, this unjust behavior, specifically in business practices cannot provide sustainable personal growth.

Morality Pays?

Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices, which we stand in need of. It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.⁸

Luc Boltanski in his book, *Distant Suffering: Morality, Media and Politics* illustrates the figure of a common person who contemplates human suffering through the media, he calls it, the *spectator's position*. This *spectator* is confronted and positioned in an ethical dilemma, right at the moment of his attestation of *human unfortunate suffering*. According to Boltanski, some sort of remedial action ought to be taken by this *spectator* because of the fear of accusation of indifference

⁸Adam Smith, in *The Wealth of Nations*, edited by Kathryn Sutherland (New York: Oxford University Press, 1993). Adam Smith presents this idea in Book one, Chapter two; entitled: *On the Principle Which Gives Occasion to the Division of Labor*.

that could be placed upon him or her by another party or even him or her self. Even though Boltanski does not utilize the concept of self-love directly; he does in fact make a very strong appeal to the self-interest and personal integrity of the *spectator*.⁹

According to Foucault,¹⁰ The care of the self is an intrinsic human characteristic that became relevant in the Greco-Roman period. The phrase *Epimeleia Heautou* describes the idea of the care of the self. Foucault states that the care of the self is constructed through bodily and mental practices. In order for this idea of practice to function in our GAC business world, it would have to involve more than “self-absorption or self-attachment.” Instead, “practice” would imply a sort of work, an activity—a degree of attention to and knowledge about the techniques of everyday activity.¹¹ In Global Age business practices, it would be important to understand the care of the self as an ethical concept.

Self-interest—or self-love, as Adam Smith described it—works in one’s own favor during a process of exchange. We do not focus on our necessities but on the economic, professional, and social advantages that are created in the free market system. Smith never ceased to defend the idea that in order for this self-love to be

⁹Luc Boltanski, *Distant Suffering: Morality, Media and Politics* (United Kingdom: Cambridge University Press, 1999).

¹⁰Michael Foucault, Chapter One; 6 January, 1982; First Hour, in *The Hermeneutics of the Subject: Lectures at the College de France 1981-1982*, edited by Arnold I. Davidson (New York: Palgrave Macmillan, 2005).

¹¹Ibid.

effective, economic free-flow had to reign at every social level. It is only through personal determination that each individual can come to a free self-realization and the economic achievements that allow the individual to satisfy and be satisfied within a social setting.

Throughout the past two centuries, business practices have found economic success by following Smith's idea of freedom within the market system. Although Smith's approach claims to promote self-realization, it is clear that it has also generated vast economic inequalities among individuals and countries during this period. In order for GAC to propagate new ideas that address these economic inequalities, business ethics literature would need to embrace the political, economical, and educational connectivity that these same business practices have created.

Adam Smith's formula posits that the love of the self is created through economic and social processes that reward individual merit, work, and determination. Smith's outlook can be explained through Foucault, who claims that *epimeleia heautou*, or the care of the self, "implies a certain way of attending to what we think and what takes place in our thought."¹² It was no coincidence that Smith's work co-occurred with the philosophical movement known as *Aufklärung*, which justifies individualism as a coherent and unique path for achieving happiness and places the responsibility for achieving success squarely upon the individual.

¹²Ibid.

Some of the business ethics literature that focuses on social responsibility addresses the bottom line, profit-based attitudes of business practitioners. One problem for GAC lies in the fact that many of the business transactions directed by these people have been responsible for the social and economic inequalities generated in the recent past. However, these self-loving business practitioners have also generated economic opportunities for individuals, both globally and locally. These opportunities have created circumstances that allow for at least some of the individuals in society to acquire the time, space, and economic wherewithal to achieve the self-love Adam Smith described.

If Smith's idea of self-love is the premise that underlies the ethics of business practices and the achievement of profits, can one assume that it has been intrinsically poised in history? If so, is this historical clench an inheritance from the free-enterprise tradition? Is it concerned about social and economic development in areas the individual may never visit, or even think about? If self-love is a state that can only be achieved by making profits then we can proceed to question, what would happen when the free-enterprise system does not function appropriately? What global consequences would directly affect the individual if there were fractures in the system of global business practice? The economic interconnections of peoples and societies undoubtedly include a corresponding domino effect wherein the interest of each self-loved individual will eventually be affected by the economic breach of another individual who is also striving to achieve self-love.

Business ethics education would need to propagate GAC as a modified interpretation of the free-enterprise economic system that could support the development of self-loved individuals in every corner of the earth. In a GAC system of free enterprise, economic development would allow individuals to create opportunities that would translate first into personal economic benefits and thence into self-love qua Smith. From a retrospective angle, Amartya Sen would refer to the lack of development in economically unattended territories as the social “unfreedoms” that hamper economic development for individuals: poverty, social inequality, injustice, tyranny, and the lack of economic opportunities.¹³

There is abundant disparity amongst the players in the current global free enterprise system, as has been discussed in Chapter Two. Can we assume that the economic fracturing of a particular community will affect the self-love of an individual in a geographically distant community? Can the economic trampling of nearly three billion people—half of human inhabitants of the earth¹⁴—become a social and economic menace to those that currently enjoy economic freedom?

When underpinning a GAC ethics with the principle of self-love, one must take care that they do not become a mere pretense with which to rationalize personal convenience. The idea of helping another because it is beneficial for oneself would hardly seem ethical; however, I argue that that the economic, political, and educational interconnection amongst nations creates a great likelihood that the

¹³Amartya Sen, *Development as Freedom* (New York: Random House, 1999).

¹⁴UNICEF, “United Nations Development Assistance Framework (UNDAF) Lao PDR 2007-2011,” June 2006. Accessed July 20, 2008 from: <http://www.unicef.org/search/search.php?q=world+poverty+statistics>.

players will affect each other. LaRue Tone Hosmer argues that in regards to business ethics there should be different rationales for workers and for corporate managers. In particular, he questions whether managers should opt to be moral.

One of the central arguments Hosmer proposes implies that an appropriate “distribution of benefits and the allocation of harms” brought on by managerial business decisions will “build trust, commitment, and effort among the stakeholders of the firm.”¹⁵ This point is relevant to our discussion about the prevention and avoidance of negative consequences in the proposed GAC ethical literature because it reaffirms the tenet that business practitioners often engage in ethical behavior not because they understand ethics per se, but because it brings “long-term corporate success.”¹⁶ Global Age business ethicists need to create an innovative body of work on global economic issues so that ethical business practices can help to support a GAC.

This literature should include detailed analyses of the negative consequences that global economical inequality will continue to generate the global age. This is not to suggest that the literature should emphasize equations on cost and benefit analysis. A GAC business ethics literature should instead generate critical analysis and avoid the academic tendency toward simplistic rationales of business thoughts and actions, and especially those where the student exclusively seeks “efficient”

¹⁵LaRue Tone Hosmer, “Why Be Moral? A Different Rationale for Managers,” *Business Ethics Quarterly* 4 (1994): 2.

¹⁶Ibid.

forms for generating economic profits. At the same time, GAC ethicists need to endorse practices that provide incentives for the businessman. Business education should emphasize innovative perspectives on ethics, and especially an ethic that can allow for economic equality and environmental awareness. When I speak of innovative perspectives, for instance, I am appealing to the use of all technological, media interconnections, world forums to propagate ethics in business.

Furthermore, these innovative perspectives in business ethics education should bring about economic justice. For example, one of the most important duties for GAC and critically educated thinkers, who intend to use information available through global communication technology, is to engage in practices of observation and denunciation. These “observe-denounce” practices can provide innovative practices in GAC because individuals can become better informed about global issues. Businesses should begin to engage in sustainable growth that will build a path towards economic freedom in peripheral geographical locations as well as in the economic core.

Different Standard for GAC Business Ethics Education

What is Global Age Cosmopolitan business ethics education? Current global business practices are integrated by innovative technological and economic systems. These international links have led to abundant growth and diversification in the global market. As a result, private individuals have been able to realize enormous wealth and have at the same time created a wide range of economic

options for particular societies. Business ethics literature must promote GAC in the societies that create innovative economic trends so that future business practitioners can focus on economic practices that build local wealth and prevent inequality, two of the distinctive philosophical principles of GAC business practices mentioned at the beginning of Chapter Two.

In the past twenty years businesses have used novel and ingenious means to produce and present new forms of goods and services to a wider public than ever before. For instance, a 2008 *New York Times* article asked, “Can the Cell phone Help End Global Poverty?”—an example of just one of the recently globalized technologies and services that business ethics needs to address in order to achieve GAC. Whether cell phones can alleviate global poverty is an important question given that the mobile or cell phone global business’s portfolio has captured over “3.3 billion mobile-phone” subscribers. Given a human population of more than six billion, this translates in business language to “at least three billion people who don’t own cell phones, the bulk of them to be found in Africa and Asia.”¹⁷ It is imperative for business ethics education to address in its literature, the kind of rapid innovation and distribution created by the twenty-first century’s constantly changing business practices. This new issues once addressed in the business ethics

¹⁷Sara Corbett, “Can the Cell Phone Help End Global Poverty?,” *The New York Times*, April 13, 2008. Retrieved April 14, 2008 from: <http://www.nytimes.com/2008/04/13/magazine/13anthropology-t.html>.

literature will initiate a process of ideological restructuring, with concomitant changes in the content and methods of ethics education.

An Old Educational Problem in a New Era

So, when it is a question of the truth of a certain teaching to be expounded in public, the teacher cannot appeal to a supreme command nor the pupil pretend that he believed it by order. This can happen only when it is a question of action, and even then the pupil must recognize by a free judgment that such a command was really issued and that he is obligated or at least entitled to obey it; otherwise, his acceptance of it would be an empty pretense and a lie.¹⁸

For the most part traditional business schools have offered four basic types of business careers: accounting, finance, marketing, and management. These core fields of study have generated wide variations of secondary scholarly topics. Many of these fields of study address new areas of opportunity that have arisen from relatively recent global business practices. The problem with business education is that because its major goal is to teach students how to be economically effective—that is, to produce profits—other factors tend to be taken as of secondary priority.

One of the specific problems with business education and business ethics is the fact that they tend to represent contradictory perspectives. In the *Conflict of the Faculties*, Kant points out the struggle among traditions in different university departments and how they approach knowledge.¹⁹ For instance, business education encourages managers and administrators to promote economic strategies such as

¹⁸Immanuel Kant, *The Conflict of the Faculties* (New York: Abaris Books, 1979).

¹⁹Ibid.

outsourcing or downsizing without social and ethical regard to the employee “stakeholders.” Business ethics, on the other hand, strives to suggest and implement rules, behavior patterns, and philosophical approaches that emphasize the well-being of employees and communities as well as the bottom line.

A GAC business ethics education needs to be attuned to the general business curricula and the specific topics, strategies, techniques, and business practice values that it teaches. For instance, to address economic inequality a GAC business ethics must unmask the social and ethical implications of loaded terms such as downsizing, outsourcing, and lean production. Other business classes address the proper methods to produce economic efficiency, *so business ethics classes must teach students to question the costs associated with these practices.*

Examples: Business Ethics Education for GAC

Poverty Alleviation: A Topic for GAC Business Ethics Educators

GAC business ethics educators need to integrate the study of current cardinal problems to the general business curricula. For example, poverty is a specific economic topic of interest that requires viable business strategies and techniques in business practices in order for it to be approached. Ulrich Beck analyses a specific cultural theory of globalization by stating that, “there is no memory of the global past,” but that “there is an imagination of a globally shared collective future, which

characterizes the cosmopolitan society and its experience of crisis.”²⁰ In this vision, a business education curriculum that promotes the end of poverty would renovate the traditional business practices that have created economic inequality. GAC business educators ought to present restoration business structures that can help nations that were decolonized in the 20th century, particularly in Africa, to create sustainable economic systems. A GAC business ethics must also focus students’ awareness on the fact that if they do not address the practices that continue to create a “poverty trap” for individuals in periphery countries they are bound to foster historical resentments, violence, and even apartheid among nations, doing away with the global cosmopolitan altogether.

What does poverty alleviation entail? William Easterly makes an interesting comparison between global business practitioners and global activists that concentrate on the alleviation of poverty. He refers to the latter as planners, because they mostly formulate plans of action to aid people by fighting poverty and disease and by creating social programs that are sponsored by wealthy philanthropists. One of the problems of this type of structure is that the planners are not specifically accountable for taking on economic risks. In contrast the searchers, or business

²⁰Ulrich Beck, “The Cosmopolitan Society and its Enemies,” *Theory Culture and Society* 19 (2002): 17.

practitioners, tend to be held accountable for any economic mishaps or blunders that occur in the business investment.²¹

I have argued throughout this dissertation that business ethics under GAC should be concerned with poverty alleviation and with rectifying the economic injustices created by business practices that paid little attention to creating a fair distribution or sustainable wealth in periphery countries. Therefore, a GAC business ethics education must address accountability within the structures of global business. It must create real change, not meager social impacts. If we disagree with Easterly's and agree to provide economic aid to periphery nations, how do we integrate the ethical distribution and administration of such aid into business structures?

In 1970, Milton Friedman stated that social responsibility of private corporations should be determined exclusively by their generation of profits. Since Friedman's edict, business ethics literature has for the most part created a methodological framework that declares business practices as ethical or unethical only after they have taken place. At the same time, businesses have outlined a series of effective global practices that the business ethics literature has yet to interrogate. Until such analyses take place, business ethics education will not be able to provide academic scenarios that include global issues and problems that were not existent until the past few decades.

²¹William Easterly, *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done so Much Ill and so Little Good* (New York: The Penguin Press, 2006).

It is important to clarify that the GAC business ethics education that is being proposed is not to serve merely to support economic accommodations for the poor in periphery countries. Like Easterly, David Ellerman provides an analysis of aid that focuses on the strategies that should be considered when designing economic plans to help the needy. According to Ellerman, “conditional monetary aids” create a bifurcation of actors into “doers” and “helpers.” The “doers” are hands-on in the process of alleviating poverty while the “helpers” tend to dictate what projects should be established and where, often without a profound understanding of the social and economic necessities of the locales in question.²² In terms of GAC, business practitioners will most often be “helpers” and the ethics literature will have to consider ways to decipher and direct the roles that they play.

Charles Taylor speaks about an ethics of inarticulacy to exemplify problems that are faced by different approaches of moral thought and judgment. He argues, that “qualitative distinctions give reason for our moral and ethical beliefs”²³ and that such fundamental controversies have trampled ethics throughout history. However, business practices and the profit creation system emphasized by free market economies have generated a common agreement about the social benefits that can be achieved through business. The problem for the GAC is to implement a social

²²David Ellerman, *Helping People Help Themselves: From the World Bank to an Alternative Philosophy of Development Assistance* (Ann Arbor: The University of Michigan Press, 2006).

²³Charles Taylor, *Sources of the Self: The Making of the Modern Identity* (Cambridge: Harvard University Press, 1989).

awareness of the economic consequences that are being generated by the unequal distribution of wealth.

Social Awareness, Social Consequences, and Why They are Essential for the Critical Model in GAC

As I define them, social awareness and social consequences refer specifically to a critic pattern of thought in which one focuses specifically on negative outcomes. Why is utilitarianism not appropriate to this equation? It is because traditional utilitarian theory in both business ethics literature and in business practice has been utilized to either justify profits or to interpret unethical behavior as ethical. While utilitarianism is based on utility, the social consequences model that I propose is based on an ethical awareness of preventative business practices.

To be effective, such awareness must be based on the analysis of consequences, which should become a specific topic within the business ethics literature. The global expansion of business practices has dissipated dual economic patterns. The first pattern endorses free will and promotes wealth accumulation by investing and by dictating conditions and restrictions upon stakeholders. The other pattern involves the acceptance of wealth but because of the instable and deficient initial economic condition lacks free will. However, it is that initial economic condition that allows for the economic free will enjoyed by the first type of global business practice.

Thomas Donaldson and Thomas Dunfee try to assimilate ethics and practice through a “social contract” that focuses on the human autonomy proposed by the Aristotelian premise of human choice. According to them, the “social contract theory” explores “the role that consent and autonomy play in ethical relationships in economic life.”²⁴ This provides a starting point for a GAC ethics, but to be successful in the GAC context we must expand the basis of trust that supports an implicit social contract. We can no longer rely on the ethical interpretation provided by business practitioners who are focused on the acquisition of profits if GAC is to alleviate economic inequalities.

Why is the Critical Analysis Approach Ethical?

If one diverts attention from social responsibility by proclaiming in the literature that reactive business practices are ethical, but disregard preventive measures, then business ethicists will have failed GAC. I have argued that business ethics education literature must take into account the social and economical necessities of the global public in order to promote GAC. I have also suggested that neglecting the preventive action approach will propagate greater economic inequality, which will in turn propagate greater negative consequences in society. In the long run, negative social consequences will restrict further economic prosperity and deter the essential safeguards and economic assurance of individuals in core countries.

²⁴Thomas Donaldson and Thomas W. Dunfee. *Ties that Bind: A Social Contracts Approach to Business Ethics* (Boston: Harvard Business School Press, 1999).

Economic justice is an intrinsic element in GAC business ethics because the goal of GAC is to develop greater social equality. Business education needs to advocate against pseudo-cosmopolitans—those who enjoy the benefits of mobility and world travel, and who endorse economic expansion in uncharted territories with little regard for stakeholders or the local participants who for the most part have no economic free will. The pseudo-cosmopolitans are for the primary benefactors of global business expansion, since they enjoy free economic will and hold flexible national or civic attachment to a particular place for extended periods. Kwame Appiah describes a similar personality, called the, “counter-cosmopolitans” or “thoroughgoing globalists.”²⁵ Like the pseudo-cosmopolitans, they enjoy cosmopolitan benefits with little or no accountability for business practices that create or propagate environmental, social, or economic deterioration in the place of local investment.

The role for business ethics literature inside and outside the academy in GAC should hold all imminent requirements mentioned in this chapter. Furthermore, global business practitioners must realize that it is the only way pluralistic political, economic, and educational ideas and actions will confront social inequalities. Business scholars must promote the social awareness needed by current and future business practitioners so they can create economically responsible businesses that

²⁵Kwame Anthony Appiah, *Cosmopolitanism: Ethics in a World of Strangers* (New York: W. W. Norton Company, 2006).

allow the opportunity for the realization of self-love by every individual involved in the business process.

Conclusion

This chapter has focused on explaining what type of business ethics education would prepare students with an adequate understanding of Global Age Cosmopolitanism. It established that business ethics literature has for the most part avoided taking preventive approaches in regards to economic justice and social issues. Scholars involved in business ethics education need to propagate a critical and ethical approach that instigates business analysis for the promotion of a GAC, rather than rationalizing the debacle created by a system that abides, promotes, and protects the profit-oriented approach to business.

Throughout the dissertation I have also provided examples of practical and philosophical models of individual practice that are ethical in the context of GAC. The discussion presented in the dissertation has aimed at making a specific connection between the academic discipline of business ethics, business ethics practices, and the responsibility both should hold towards the promotion and creation of economic justice in the Global Age. Business ethicists ought to concentrate on critical analyses that promote social awareness and on outlining the social consequences of practice in ways that help the practitioner understand the necessities of economic equality in GAC.

The work done throughout this dissertation also aims at becoming to be part of an educational effort conducted by the Mexican University, Tecnológico de Monterrey, and its endeavor to pursue consistent ethics across the curriculum programs and also to promote continuous ethics-based educational and research agendas that are to be evaluated in the 2015 University's Mission. The Tecnológico de Monterrey was established in 1943 by a group of business practitioners that have firmly established a more technological and pragmatic model of education. However, since 2003 the Tecnológico de Monterrey has been pursuing the establishment of a three-part academic combination that includes its traditional technological and pragmatic approaches and adds strong ethical-philosophical academic content that is useful to students in either technical or humanities careers.

CHAPTER FIVE
THE BUSINESS CURRICULUM FOR BUSINESS ETHICS
IN GLOBAL AGE COSMOPOLITANISM

Introduction

Asking questions about whether business ethics is important per se is not the same as gaining an understanding of its importance relative to other subjects. If business ethics is to grow within the curriculum, it needs to appear as central to the mission of the modern business school and other providers of business and management education and compete successfully for space and attention.¹

The central theme of this final chapter is an academic and historical analysis of the Tecnológico de Monterrey's endeavors in promoting business ethics. I will not propose any specific changes to the curriculum. Instead, my efforts will focus on instigating a critical ethos of autonomy in the academic culture of Tecnológico de Monterrey. My hope is that by instilling in students an ethics of economic justice, conditions will improve in Mexico and every part of the world where a Tecnológico alumnus is present.

The general focus of this dissertation has been to persuade others in the field of business ethics to consider the reduction of economic inequality as an important goal. I have presented a review of the historical development of business ethics

¹Bruce Macfarlane and Roger Ottewill, "Business Ethics in the Curriculum: Assessing the Evidence from U.K. Subject Review," *Journal of Business Ethics* 54 (2004): 339-347.

education and suggested that in the early twenty-first century we are best served by an ethical perspective that I call “Global Age Cosmopolitanism” (GAC). A key feature of the GAC business ethic is its ability to take into account factors such as immigration, the transnational displacement of production facilities, and other phenomena deriving from economic choices that create social impacts in both core and periphery countries.

As mentioned in Chapter Two, the GAC ethos is understood to be a theory of living well and in accordance with the values and customs common to the global society. Over the past several centuries human cultures have engaged in collective modifications of behavior that are expressed over time as changes in the predominant ethos. Thus, the emergent GAC ethos can be illustrated by the common global rejection of the practice of slavery: as a global community we now object to the subordination of a human being when that subordination is based on the absence of rights and the imposition of power.

From a business perspective, the GAC ethic is a cosmopolitan point of view that presupposes civic universalism. That is, if any social and economic wrongdoings are to be modified or changed in global business practices, everyone involved must understand the historical circumstances that have created those wrongdoings. Actions that have aided some countries and systems in the accumulation of wealth at the expense of others are particularly subject to such analyses; for instance, the practice of a GAC ethics must acknowledge that and

understand how Core countries have been able to consistently engage in the appropriation of wealth from developing countries. I have argued that such historical practices have shaped the global economy into a capitalist system that inherently favors the Core over the developing world.

In addition to its contribution to the business ethics literature, my efforts at defining a GAC ethic will contribute to the efforts of the Mexican University, Tecnológico de Monterrey, in promulgating a consistent ethical perspective across the curriculum. The University supports this and other ongoing ethics-based educational and research agendas, which are to be evaluated in 2015 during a review of the University's Mission.

In Chapter Four, I noted that the University's interest in promoting ethics across the curriculum has caused it to engage in a constant re-evaluation of the curriculum since 2003. As of this writing, the University has established a three-fold curriculum that emphasizes the traditional, technological, and pragmatic approaches. This curriculum is purported to add strong ethical-philosophical academic content that should be useful for students in either technical or humanities careers. However, one must question whether such a curriculum will allow the promotion of the GAC ethic and its emphasis on social justice.

In an attempt to answer this question, this chapter first considers some civil perspectives that education as a whole should endorse, and especially what a university education must include in order to promote GAC. Next, I analyze some of

ethics courses that have been part of the Business Administration curriculum offered by Tec de Monterrey. For example, I consider the specific courses being offered in the years 1982, 2000 and 2006. Finally, I consider the ways that other academic factors relate to the University's ethics curriculum. Such factors include the renewed Business Administration curriculum review and the change of name of the Bachelor's Degree from "Bachelor's of Business Administration" to "Bachelor's of Administration of Strategies and Innovation." Both of these changes will go into effect in the Business curriculum at Tec de Monterrey as of Fall 2010.

Business Education and the Curriculum

As Macfarlane and Ottewill have stated, to ask whether business ethics is an important aspect of education is not the same as gaining an understanding of its importance relative to other subjects. As formal education is an inherently institutionalized practice, the idea and ideals of cosmopolitanism are much less costly to implement there than in other parts of the economy. Implementing GAC in educational settings does not require any major changes in schools themselves, but rather a change in educational materials and the way they are taught from primary schools through institutions of higher education.

What type of education is it that we ought to foment for GAC? I have talked about university education; however, GAC supports an understanding of one's global responsibilities from the very beginning of one's education. Should education feed the economic system that has already been established, or should education be

primarily focused on changing that system? In my opinion, either extreme will result in a mono-focal vision. I would argue that Martha Nussbaum's comments on American race relations serve as recommendation for a GAC education:

...an intelligent discussion of affirmative action should be grounded at least in history, biology, law, economics, political science, psychology, and sociology.²

In other words, GAC business ethics education needs not only to endorse a multicultural approach in primary education, but also to promote the understanding of ethics across the curriculum, especially for students in those fields of study that will have a direct impact on the economic progress of society.

Traditional Civic Education

Civic education is taught to young through both an actual and also a hidden curriculum. Civic education purports to teach responsible citizenry, which in liberal societies, for the most part, means the promotion of democratic principles. The two most important aspects of civics are, first, to teach the individual that civic participation makes a direct impact in the way we live, and second, to teach the individual how to participate in civic affairs.

According to Craig Calhoun, civic or national identities are matters of the "actual conditions of membership," which "are not restricted to a choice between thick but irrationality inherited identities on the one hand and thin but rationally

²Martha Nussbaum, *Cultivating Humanity: A Classical Defense of Reform in Liberal Education* (Boston: Harvard University Press, 1997).

achieved ones on the other.”³ Thus, civic education is also used to form national identity and in turn for creating patriotism and loyalty to one’s social-class.

How did twentieth century industrial processes influence the economic development of core countries? More importantly, how have they influenced citizen contentment and the acceptance of capitalist-promoting civic education in semi-periphery and periphery countries? I contend that the processes and contents of civic education have traditionally been based entirely on a unilateral perspective of development—one that contrasts the “self made” success of the core to the “self made” poverty of the developing world. This form of civic education replicates and supports the non-benevolent, profit-seeking business practices of our recent past. Thus, rather than teaching the educated to make economically just and socially responsible decisions, traditional civic education has shown individuals that such decisions should correspond directly to national and business interests. In other words, the rhetoric used to promote civic education and to foster national identity has long made a clear-cut distinction between *us* and *them* and the reasons each occupies its socio-economic position.

In his *Collected Papers on Social Choice and Justice* (1950), Kenneth Arrow traces ideas such as social choice theory and welfare economics to the Enlightenment. He further notes that the French Revolution and other endeavors to promote individual autonomy at the expense of imperialism have gradually

³Craig Calhoun, “Imagining Solidarity: Cosmopolitanism, Constitutional Patriotism and the Public Sphere,” *Public Culture* 14 (2002): 147-171.

backfired. By the twentieth century these movements had fostered an economic milieu in which private entrepreneurship, rather than the citizenry, controlled political processes. As businesses gained ever more power over politics, business leaders used their knowledge of transforming natural resources into physical capital—something to be controlled and from which to gain profit. Not surprisingly, this form of education has little regard for cosmopolitan-civic interest. Instead, it emphasizes the ruthless pursuit of economic prosperity, which it cloaks under the rubric of economic development.⁴

It is abundantly clear that traditional civic education is quite different from, and even oppositional to, a GAC program of civic education. However, the civic universalism of GAC is certainly not in opposition to the sovereignty of the nation-state. Rather, GAC suggests that in an interconnected world where the flow of people, ideas, and markets is becoming more common, educational policies should foster basic freedoms, especially for individuals who find those freedoms difficult to attain. Martha Nussbaum describes the four components of a cosmopolitan education:

1. Through cosmopolitan education, we learn more about ourselves.
2. We make headway solving problems that require international cooperation.

⁴Amartya Sen, *Rationality as Freedom* (Cambridge: Harvard University Press, 2002).

3. We recognize moral obligations to the rest of the world that are real and that otherwise would go unrecognized.
4. We make consistent and coherent arguments based on distinctions we are prepared to defend.⁵

On its own, the absence of a national economic interest within GAC should not thwart the cosmopolitan conscious.⁶ Instead, GAC education communicates awareness and understanding of another's existence and actions, regardless of whether they live next door or in Manila. It is therefore important to assure that GAC is able to propose academic projects that can be used by educators at every stage of instruction.

Kant asks in his *Anthropology from a Pragmatic Point of View*: "How can psychology help our pragmatic knowledge of man as world citizen and free handler of being?"⁷ I have used psychology to frame what it might be like to transition from current capitalist practices to a realization of GAC. What seems of the greatest importance is the achievement of a unity of consciousness that allows the active participant within the political, economical, and educational systems to realize *what is owed* to the less fortunate individual who populates the developing world. This achievement marks the ascendance of GAC. In GAC terms, *what is owed*—that is, help towards the other—cannot be conceived of as a personal sentiment of charity

⁵Martha Nussbaum, *For Love of Country* (Boston: Beacon Press, 1996).

⁶*Ibid.*, 134-135.

⁷Michael Foucault, Introduction to Kant's *Anthropology from a pragmatic point of view*. Foucault's commentaries of Kant's *Anthropology*. Translated by Arianna Bove, 1964.

or compassion. It must be attributed instead to a global sense of duty and restitution, the purpose of which is to rectify economic injustice.

Why are the political, economic, and educational systems analyzed herein antagonistic toward world unification under a cosmopolitan idea? I contend that this is mostly because it remains rather unclear just how world governance would be achieved and conducted under GAC. In fact, the political, the economic, and the educational could serve as a unified platform under GAC. Political components such as *democracy*, *human rights*, and *citizenship* would combine with those from economics, such as the *environment*, *transnational transactions*, *market regulation*, *green technology*, and *economic justice*, and from educational ideas such as *culture*, *critical thinking*, *humanity*, and *empathy*. These perspectives would serve to restructure business ethics education in GAC and in turn would spur the student learning from this new model to undertake GAC-defined social responsibilities.

One can try and broaden the understanding of every one of the components mentioned above and surely any of them could be rearranged and tried to be fitted into one another. However, the questions of how to create a sustainable social outcome at Tec de Monterrey remains. I believe the question itself holds possible responses: in critical education, the realms of study exemplify the interconnections of networks and for the interdependence that is characteristics of the cosmopolitan idea.

The Current Business Curriculum at Tecnológico De Monterrey

Although this dissertation deals with the global, the most relevant issue for this chapter is Tecnológico De Monterrey's specific approach to business ethics education within the Business Administration major. The following chart provides an historical summary of ethics-related classes in the business administration major. For the most part, all include some social responsibility teaching. The years 1982, 2000, and 2006 are the focus of my analysis because they are when curriculum revisions took place in the Business Administration major (see Table 2).

Table 2: Curriculum: Comparative Chart for Business Administration Major and the Ethics Related Classes

| | Year | | | Conclusion |
|---|----------------------------|--|---|--|
| | 1982 | 2000 | 2006 | |
| Similar Classes Through Different Curriculums & years | Human Resources Management | Human Resources | Human Resources Management | The three curricula focus on the administrative area and not on social psychology or ethics, although these are also topics necessary to leadership. |
| | ----- | Entrepreneurial Development | Entrepreneurial Development | Here the student engages in career development by completing a business project that requires discipline, vision and perseverance. In ITESM this class is also known as an opportunity for students to put into practice the ethics and skills from other courses. |
| | ----- | Economic, Political, and Social Analysis | Elective of Humanistic, Sociopolitical, or Scientific Perspective | Professionals need to understand social, economic, and political phenomena in their society also in order to understand their ethical failings. In 2006, the analysis class was replaced by a choice of classes with socio-political, scientific, or humanistic perspectives, limiting the knowledge they could gain if the three perspectives were taught together. |

| | | | | |
|--|-------|---------------------------------|-------------------------------------|---|
| | ----- | Ethics, Self, and Society | Ethics, Profession, and Citizenship | In 2006 the class Ethics, Self, and Society was modified and improved to engage the students in their role in society. Being a citizen involves having a social commitment. |
| | ----- | Organizational Psychology | Organizational Behavior | Organizational Psychology trains a manager needs to understand his or her subordinates from a psychological approach and to function better in relationships. In 2006 this class was replaced by tone on organizational behavior. |
| | ----- | Values in Professional Practice | Humanistic Perspective | A class on values lends itself to ambiguity and can deal with different topics. However, knowledge of values may be ineffective in encouraging ethical behavior. |

The 2015 Mission Statement of the Tec de Monterrey states that the institution's priority is to educate individuals with an ethical and humanist vision, who are committed to the development of their country, and who demonstrate this through the creation of enterprises that generate jobs or the creation of public policies that support national development. The mission also states that Tec will train people to become internationally competitive in their use of intellectual resources and technology in order to become part of the global economy. Sustainable development is also mentioned as one of the areas on which students should focus.⁸

According to the graduate degree profile, the program in business administration aims to create professionals who can lead human capital, innovate

⁸Tecnologico de Monterrey, Mission y Vision 2015. Accessed December 20, 2009 from: <http://www.itesm.mx/2015/mision.html>.

new business processes, and use their analytical skills to make effective decisions in any type of business. The profile emphasizes the skills necessary to build profitable businesses: competitiveness, the creation of value, marketing, operations, and decision making. The profile also mentions ethics, moral practices, and the need to build credibility in the business and social environment.

In 1993, the Center for Strategic Studies at ITESM conducted an investigation of the professional profile of graduates of all majors of the system, the study served as an internal auto-revision. The authors attempted to interview most graduates from undergraduate programs. Business Administration had one hundred and twenty-five alumni, of whom twenty were students from 1966 to 1972, thirty-nine were students from 1978 to 1981, and sixty-six were students from 1990 to 1992. This survey also spoke to thirty-one people who were workplace supervisors of former Business Administration Tec Students. The findings included the following (data reflect the year of the poll unless otherwise indicated):

- 68% of the alumni surveyed had a steady job.
- 19% owned their own business.
- 50% of the alumni were working in management, of which 29% served as a director and 40% as a manager.
- 16% of respondents worked in sales or marketing.
- Regarding the knowledge acquired during their education,

- 27% of respondents felt that their studies lacked emphasis on planning,
- 24% felt that their studies should have further emphasized leadership, and
- 22% would place more emphasis on international relations and business.
- However, the workplace supervisors of the alumni felt the following should be emphasized:
 - 32% suggested more education in oral and written communication,
 - 29% wanted more training in industrial relations and teamwork, and
 - 29% felt that research methodology and analysis should be further emphasized.

Given these results—and most importantly, the lack of any questions germane to the topic—it is clear that there has been little regard to social responsibility issues within the business administration major or after the student has graduated.

A Better Business Curriculum at Tecnológico De Monterrey?

The table below catalogs several key elements or characteristics to which every student from Tecnológico de Monterrey should be exposed. It also includes the characteristics that the Business Schools seeks to instill in the students enrolled in the Business Administration degree. Table 3 indicates quite clearly how the very specificity of coursework within a Business Administration degree seeks to promote

leadership skills that sustain current economic inequalities. Thus, the current Business Administration profile presents an erroneous ethical interpretation regarding human capital and leadership. Although an understanding of these processes is in fact essential for business administration, the current curriculum lacks the humanistic understanding of others that is required for GAC.

Table 3: Comparative Chart

| 2015 ITESM mission | Business Administrator (LAE) graduate profile |
|---|---|
| <p><i>Create individuals with an ethic and humanistic vision.</i> The mission urges action to ensure that ethical conduct is the main motivation of the decisions that graduates take.</p> | <p><i>Need to build credibility in the environment according to the ethics and morality in practice.</i> Students must recognize the urgency of ethical practice and morals in their actions.</p> |
| <p><i>Train people to use international competitive and therefore their intellectual resources and the technology to be part of the global economy.</i> It wants to include students and graduates in economic and global competitiveness.</p> | <p><i>Competitiveness, value-creating business, marketing processes, operations and decision making to build profitable businesses.</i> The profile emphasizes the skills required of a business administrator; it doesn't relate them with national (civic) needs.</p> |
| <p>1. <i>Commit graduated students to create jobs and public policies for national development.</i> 2. <i>Sustainable development is also mentioned as one of the areas to which the student graduates should focus.</i> These commitments convey to individuals their social responsibility.</p> | <p><i>The first mentioned ability is to lead human capital.</i> It tries to create leadership in business administrators to have the skills to become chiefs.</p> |
| | <p><i>A business administrator has the capability to make decisions in any type of business.</i> This affirmation focuses in efficiency as a priority, it doesn't mention if there are ethic parameters that a business administrator must have.</p> |

The views of Milton Friedman exemplify the ethical vision promoted by the Business Administration major. He believes that business practices based upon the

liberal market ideology provide a model that has been proven successful throughout many core countries:

The free man will ask neither what his country can do for him nor what he can do for his country. He will ask rather 'What can I and my compatriots do through government' to help us discharge our individual responsibilities, to achieve our several goals and purposes, and above all, protect our freedom?⁹

One must respond to such imperious statements with questions: For a student who studies Business Administration, what does it mean to be a free man in a developing country? What type of government is Friedman referring to when he suggests that "I and my compatriots [should] do through government" and "to discharge our individual responsibilities"? Finally, how can business education across the globe create a more collective sense of responsibility while de-emphasizing an individualistic understanding of ethical practice in a global society?

Ethic vs. Profit and Business Administration Education

The 2015 Mission must, in one way or another, address the ethic vs. profit duality. This duality underlies many economic and social debates that are now seen as relevant issues in business education. Certainly economic profits are key factors in the shaping of economic equations; they are also key factors in the creation of social inequalities. However, business administration education must become aware of and then act to limit economic growth that is accompanied by, or more importantly dependent upon, social inequality.

⁹Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962).

The *ethos* of economic growth is the maximization of production. This is not the problem per se, but an economic system that both profits *and* creates the means to live and prosper for every agent involved is often seen as impossibly conflicted. In other words, the current *ethos* of the economic system seeks profit under a model where economic growth is no longer for social improvement but for private accumulation. This ethos prioritizes social inequality, which in itself creates dependency, subordination, and loyalty to those who provide wealth, the business owners and administrators.

It is unlikely that the immediate future will see businesses abandoning the pursuit of profit accumulation. Profits support and measure prosperity and have created better conditions of living (at least in the developed world) than have ever occurred in history. Business is viewed as a legitimate field of study and a route to a prosperous career. Yet what must transform is the manner in which business administration education will produce a conscious effort to answer the question, *What is to be done with profits in order to alleviate social and economic inequalities?* Business people in a GAC environment will have to rely on information interconnections and must utilize them to create a checks and balances system that safeguards the communities where these profit practices are placed.

Business education at Tecnológico de Monterrey still needs to address several curriculum issues where theoretic and academic content continue to support a culture of profit without a sense of social responsibility. Table 4 below

summarizes the features of several classes that engage in strategic administrative thought without the social responsibility reflection that is required for GAC.

Table 4: Business Administration Classes that Lack an Active Social Responsibility Reflection

| Class | Failure and Suggestion |
|---|--|
| Strategic Business Perspective | Effective business strategies are those that involve economic performance. Due to the crisis in the economy, environment, and society, it is necessary to consider the ethics and social responsibility in the actions taken to run a business. This class puts a limit on business administration students and encourages them to develop their skills in terms of achieving business success, not in considering the environment, social wants, and needs. |
| Strategic Thinking and Design | |
| Administrative Control and Organizational Performance | The class asks students to develop their leadership and management skills. Students should also practice interpersonal relationships, empathy, and team work, because a business administrator has the responsibility to guide the efforts of his subordinates to a defined goal and promote a positive work environment. The class is missing an essential human needs perspective. |
| Statistical Methods for Decision Making | The decisions of a business administrator must be grounded on the needs and financial status of the organization where he works. However, the consciousness of the individual must also guide him to discuss his options considering the qualitative factors of the situations he faces. |
| Accounting for Financial Decisions | |
| Personal Finance and Financial Management | The profile of a business administration career includes the concepts "strategy" and "innovation," which means that students should obtain financial expertise, but also be creative and able to face situations that are linked to administrative and global environment financial problems. |
| Project Appraisal and Financing | This class suggests that the business administrator is limited to be observant and a financial manager in an organization. These days the role of the administrator must also be related to participatory joint action with other areas. Also, students should be directed to choose their projects and the course of these, considering their social responsibility. |

The New Endeavor to Impart a GAC Perspective in Business Education

As I mentioned in Chapter Two, the GAC ethos is to be understood as a theory of living well in accordance with the values and customs common to the global society. Business education needs to inculcate an understanding of human cultures in which they are subject to collective modifications of behavior, and in which those modifications should be identifiable in aggregate as changes in the predominant ethos. A student in the Business Administration degree should enroll and pass about sixty-four classes in a time period of about four to four and a half years. In its endeavor to instill ethical teachings, business students at Tecnológico de Monterrey must enroll in seven classes that promote these social and ethical skills. These classes are summarized in Table 5.

Table 5: Ethics and Social Responsibility Classes in the New Business Administration Curriculum

| Class | Purpose |
|--------------------------|---|
| Ethics, Self and Society | Students will comprehend the importance and foundations of ethics in today's world, allowing them to make responsible decisions in order to complete their personal life project and to learn how to interact constructively in their milieus. |
| Humanist Perspective | Students will understand art expressions as part of a culture and will analyze the art impact in society. The optional courses are: Media, Culture and Society; Music and Society; Art and Intercultural; Music Appreciation; Creative Writing; Film, Literature, and Culture; Contemporary Art and Society; and Contemporary Literature and Society. |
| Business Ethics | Students will reflect on their personal and social responsibility in their careers, as well as on their commitment to contributing to the formation of a fairer and more sustainable society. |

| | |
|--|---|
| Leadership for Entrepreneurial Development | The student will be able to implement her/his entrepreneurial potential by developing her/his skills via identifying, creating, and evaluating new feasible business opportunities and business models based on technology and/or innovation, in order to produce the most possible value with social responsibility. |
| Citizenship | Students will be integrated into society as citizens who understand the needs of the environment. |
| Human Resources Management Competencies | Students will develop their skills in human resource management leading to individual competences needed for the proper functioning of an organization. |
| Specialization in family business | The student will be able to understand the nature and difference of the organization system and a family system, as well as to find the best way to manage both. Students will understand the concept of family business to become a change agent in this type or organization. |

Is teaching ethics through seven courses enough to promote GAC in our university? Chapter Four addressed the question, *What type of business ethics education can promulgate an adequate understanding of global age cosmopolitanism?*

In contrast to the traditional approach and its “oughts,” a GAC business administration degree must include theories of morality, even in the hidden curriculum. The incorporation of applied ethical philosophy in the curriculum would promote social justice and equality while increasing the incidence of ethical behavior.

The Tecnológico de Monterrey should focus on the issues that can help its business students to step away from a business culture that is predicated primarily on profit making. We can certainly agree that in principle and in practice business is based on the exchange of goods, products, or services in order to create marginal

profit. Profits are, in principal, meant to establish and create greater opportunities in the social world, such as employment opportunities, economic freedom, appropriate living conditions, and better education. Tecnologico de Monterrey is mostly trying to achieve this economic prosperity through an entrepreneurial-mindset culture that falls somewhat short of a GAC business ethic. The GAC business education faculty at Tecnolgico de Monterrey should review and ponder the social outcomes of business, rather than the creation of profit in and of itself. The business curriculum should convey the need to increase the awareness of or desire for the good life and ways to achieve this life while conducting oneself ethically.

Today the Tecnologico de Monterrey mostly ignores the social outcomes and living conditions of the Mexican people who rely on what wealth is be distributed without too greatly interrupting a given business's accumulation of profit. Historically this model has resulted in few social benefits for those who do not own any means of production.

Business education at Tecnologico de Monterrey needs to refocus its attention from profit-making to social responsibility. It needs to focus on reactive business practices that are ethical and that at the same time promote preventive measures that foster economic justice, or else the ethics in business will fail. I have argued that a critical business ethics education must take into account the social and economical necessities of the global public. I have also suggested that neglecting the

preventive action approach will propagate greater economic inequality, which will in turn propagate greater negative consequences in society. The Tecnológico de Monterrey needs to understand that in the long run, negative social consequences will restrict further economic prosperity and deter the essential safeguards and economic assurance of individuals in Mexico.

Conclusion

This dissertation has provided examples of practical and philosophical models of individual practice that are ethical in the context of GAC. The main goal of the dissertation has been to make a specific connection between the academic discipline of business ethics, business ethics practices, and the responsibility both should hold towards the promotion and creation of economic justice in the Global Age. Business administration and ethics need to engage in critical analyses that promote social awareness and the consequences of business practices in ways that help students to understand the necessities of economic equality in GAC.

As I have mentioned in Chapter Four, I hope for this dissertation to become part of the Tecnológico de Monterrey's endeavor to promulgate a consistent ethical perspective across the curriculum. I also hope that this dissertation helps to promote the continuous agendas in ethics-based education and research that will be evaluated in the University's 2015 Mission Statement. I decided not to present a specific curriculum, or even a modification of the one already established, due to the fact that the critical and philosophical agenda that promotes economic justice is

hidden, and because that critical and philosophical agenda must be understood by the educators at Tecnológico de Monterrey in order to transmit it to the future business practitioners.

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The final copies have been examined by the director of the dissertation and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the dissertation is now given final approval by the committee with reference to content and form.

The dissertation is therefore accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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